



Senate Budget & Tax Committee
February 28, 2024

Senate Bill 878
Gaming – Problem Gambling – Prevalence Study and Fund Revenue
Support

NCADD-Maryland supports Senate Bill 878. When the State of Maryland expanded legalized gaming to video lottery terminals and casino tables, the General Assembly saw fit to ensure a funding stream to address the problems that accompany gambling. A fee was assessed for slot machines. A fee was also assessed for casino table games. But we neglected to add an *effective* funding stream with the expansion into sports and fantasy wagering.

This has resulted in an expansion of gambling without the accompanying resources to address the problems. The latest [gambling prevalence study](#) conducted in Maryland in 2022 showed that 90.4% of Marylanders reported that they had ever gambled, up from 87% in 2017. There is little doubt that the incidence of problem gambling will continue to grow as we make it easier for people gamble in many different ways. **While this prevalence study reports that 4% of Marylanders met the criteria for disordered gambling, the percentage of disordered gamblers who participated in sports betting was higher compared to other forms of gambling: traditional fantasy sports=12.2%; daily fantasy sports=15.6%; online=20.8%.**

When the General Assembly legalized sports wagering in Maryland, it specified that any funds that were not claimed 182 days after the wager is won would go to the Problem Gambling Fund (PGF). However, with more than 90% of people placing their sports bets online, there are no unclaimed prizes. Unlike lottery tickets where a winner has to go to retailer to claim their prize, the payout when a person places a bet online goes directly into the account the player established with the sportsbook operator. Again, unlike a small portion of lottery winnings, online prizes never go unclaimed. There are zero dollars in unclaimed funds for the vast majority of sports wagering in Maryland.

In addition to directing 1% of sports and fantasy wagering revenue to the PGF, House Bill 1029 requires 1% of lottery revenue also be directed to the PGF. Over \$651 million generated from the lottery goes to the General Fund. We estimate that this bill would direct more than \$8 million to the PGF. This money could be used to employ more Certified Peer Recovery Specialists who are crucial to the outreach and support to people experiencing problems. The funds could also be used to expand public awareness and prevention campaigns, research, and treatment.

As gambling becomes easier to access, especially through mobile technology, more people will need support to address the many problems that accompany it. We urge a favorable report on Senate Bill 878.