

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 46 (Delegate Queen)
 Ways and Means

**Sports Wagering - Gambling Prevention Technology Pilot Program -
 Establishment**

This bill establishes the Gambling Prevention Technology Pilot Program in the State Lottery and Gaming Control Commission (SLGCC), which Bowie State University (BSU) and Morgan State University (MSU) must participate in. Online sports wagering operators must (1) establish a geofence (virtual perimeter) encompassing designated no gambling zones on each participating campus that prevents online sports wagering access within the boundary and (2) collaborate with SLGCC to enforce and implement the no gambling zones. By January 1, 2031, SLGCC must submit a report to the Governor and the General Assembly on its findings from the pilot program. **The bill takes effect July 1, 2026, and terminates June 30, 2031.**

Fiscal Summary

State Effect: General fund expenditures for the State Lottery and Gaming Control Agency (SLGCA) increase by \$90,600 in FY 2027. Future years reflect annualization, inflation, and termination of contractual staff in FY 2031. Sports wagering revenues are not materially affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	90,600	105,300	109,800	114,500	59,700
Net Effect	(\$90,600)	(\$105,300)	(\$109,800)	(\$114,500)	(\$59,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The purpose of the pilot program is to (1) identify strategies for reducing or mitigating the negative effects of problem gambling by students on college campuses in the State; (2) compile and analyze data on the viability of utilizing technology to reduce problem gambling; and (3) gain insights to improve enforcement of existing online sports wagering laws in the State.

SLGCC, in collaboration with BSU, MSU, and the Maryland Center of Excellence on Problem Gambling, must (1) identify areas on participants' campuses to be no gambling zones; (2) develop signage for these zones; and (3) identify and implement any cost-effective technologies that further the goals of the pilot program, including real-time monitoring of online sports wagering activity.

If an individual attempts to participate in online sports wagering while within the designated geofence, the individual must be prevented from online sports wagering and shown a warning that contains information on the pilot program and options for obtaining responsible gambling assistance.

SLGCC must determine the time frame and necessary steps to establish the pilot program. SLGCC may not fine, penalize, or otherwise sanction an online sports wagering operator for unforeseeable technological failures that occur within the geofenced boundaries during the pilot program.

Current Law: Chapter 492 of 2020, a constitutional amendment approved by the voters at the November 2020 general election, authorized sports and event wagering, contingent upon implementation legislation passed by the General Assembly. Chapter 356 of 2021 implemented sports wagering in the State and provides for regulation of sports wagering and fantasy gaming competitions, including through mobile applications. Other forms of online gaming are not currently authorized in Maryland, but legislation has been introduced in prior years to authorize Internet gambling and online lottery sales.

Under Chapter 356, specified individuals (including those younger than age 21; those not physically present in the State; and athletes, coaches, referees, directors, or employees of a sports governing entity or any of its member teams) may not wager on a sporting event; likewise, a sports wagering licensee may not accept a wager from those individuals. However, otherwise, a sports wagering facility licensee may accept wagers made by an individual physically present on the licensee's property, including wagers on a self-service kiosk, device, or machine at that property. Likewise, a mobile sports wagering licensee may only accept wagers by an individual physically located in the State. To participate in online sports wagering, an individual must register using a website or mobile application approved by SLGCC, or in person at specified facilities.

For online sports wagering, a mobile sports wagering licensee must have technical and operational measures in place to prevent access by individuals who are underage or physically located outside the State, including age verification procedures and the use of geolocation technology to verify a bettor’s geographic location.

Appendix – Maryland Gaming provides the status of gaming in Maryland as of December 2025.

Problem Gambling

Video lottery operation licensees must pay an annual fee of \$425 per video lottery terminal for a Problem Gambling Fund administered by the Maryland Department of Health (MDH), and SLGCC has established an annual fee of \$500 per table game for the Problem Gambling Fund. Additionally, any sports wagering winnings on a sports event not claimed within 182 days after the wager is won revert to the Problem Gambling Fund. The Problem Gambling Fund is used to fund programs to treat and prevent gambling addiction. After satisfying specified requirements, any unspent funds in the Problem Gambling Fund may be expended by MDH on drug and other addiction treatment services.

The Maryland Center of Excellence on Problem Gambling is a program of the University of Maryland School of Medicine and funded by MDH’s Behavioral Health Administration through the Problem Gambling Fund. The primary goal of the center is to minimize the risks and problems associated with gambling in the State.

State Revenues: Establishing geofencing in designated no gambling zones on campus at MSU and BSU prohibits mobile sports wagering in those areas. However, those zones are small enough to not have a material effect on sports wagering revenues.

State Expenditures: SLGCA has determined that one program manager, one research analyst, and one research statistician are needed to implement this bill. However, the Department of Legislative Services (DLS) advises that one program manager could likely handle the added responsibilities incurred by this legislation, which are not permanent and, thus, may be performed by a contractual employee. Thus, general fund expenditures for SLGCA increase by \$90,565 in fiscal 2027, which accounts for a 90-day start-up delay from the bill’s July 1, 2026 effective date. This estimate reflects the cost of hiring one contractual program manager to run the pilot program under the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1.0
Salary and Fringe Benefits	\$81,424
Operating Expenses	<u>9,141</u>
Total FY 2027 State Expenditures	\$90,565

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. The contractual position is assumed to terminate concurrent with the requirement to report on the pilot program.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Bowie State University and Morgan State University

BSU notes that it can consult and collaborate on boundaries, offer design ideas for signs, and advise and collaborate on strategies SLGCC identifies with existing resources.

MSU reports that the bill imposes a substantial and sustained operational and fiscal burden on MSU and estimates needing three full-time positions and two graduate assistant positions to implement the bill, along with consulting expenses. DLS disagrees, as the bill only requires MSU and BSU to collaborate with SLGCC; SLGCC is responsible for implementing and reporting on the pilot program. As such, BSU and MSU can collaborate with SLGCC with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): University System of Maryland; Morgan State University; Maryland Department of Health; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

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jg/jrb

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Appendix – Maryland Gaming

The State of Maryland has authorized and awarded six video lottery operation licenses in Baltimore City and Allegany, Anne Arundel, Cecil, Prince George’s, and Worcester counties with a maximum number of 16,500 video lottery terminals (VLTs) allotted in the State. The opening date and the number of VLTs and table games in operation for each facility as of December 2025 are shown in **Exhibit 1**.

Exhibit 1
Number of VLTs and Table Games in Maryland

<u>Casino</u>	<u>County</u>	<u>Opening Date</u>	<u>VLTs</u>	<u>Table Games</u>
Hollywood Casino	Cecil	September 2010	654	18
Ocean Downs	Worcester	January 2011	900	18
Maryland Live!	Anne Arundel	June 2012	3,878	179
Rocky Gap Casino	Allegany	May 2013	628	12
Horseshoe Casino	Baltimore City	August 2014	1,365	115
MGM National Harbor	Prince George’s	December 2016	2,268	214

VLT: video lottery terminal

Source: State Lottery and Gaming Control Agency; Department of Legislative Services

Video Lottery Terminals and Table Game Revenues

The estimated revenues from VLTs and table games in fiscal 2027 through 2031 are shown in **Exhibit 2**. A total of \$2.0 billion in gross gaming revenues is projected in fiscal 2027, including \$607.4 million to be distributed to the Education Trust Fund.

Exhibit 2
Distribution of Estimated VLT and Table Game Revenues in Maryland
Current Law
(\$ in Millions)

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
VLTs Distribution					
Education Trust Fund	\$517.7	\$523.4	\$533.5	\$538.8	\$544.9
Lottery Operations	13.6	13.8	13.9	14.0	14.2
Purse Dedication Account	81.8	82.7	83.5	84.2	85.0
Racetrack Renewal Account	12.0	12.2	6.9	6.5	5.3
Local Impact Grants	75.0	75.8	76.5	77.2	77.9
Business Investment	20.5	20.7	20.9	21.1	21.2
Licensees	643.2	650.1	655.9	661.8	667.8
Total VLTs	\$1,363.9	\$1,378.7	\$1,391.1	\$1,403.6	\$1,416.2
Table Games Distribution					
Education Trust Fund	\$89.7	\$90.4	\$91.0	\$91.7	\$92.4
Local Impact Grants	29.9	30.1	30.3	30.6	30.8
Licensees	478.4	482.0	485.6	489.2	492.9
Total Table Games	\$598.0	\$602.4	\$607.0	\$611.5	\$616.2
Total VLTs and Table Games	\$1,961.8	\$1,981.1	\$1,998.0	\$2,015.1	\$2,032.4
Total Education Trust Fund	\$607.4	\$613.8	\$624.5	\$630.5	\$637.3

VLT: video lottery terminal

Note: Numbers may not sum to total due to rounding.

Source: Board of Revenue Estimates; Department of Budget and Management; Department of Legislative Services

Chapter 492 of 2020, a constitutional amendment approved by the voters at the November 2020 general election, authorized sports and event wagering, contingent upon implementation legislation passed by the General Assembly. Chapter 356 of 2021 implemented sports wagering in the State and provides for regulation of sports wagering and fantasy gaming competitions. Chapter 604 of 2025 increased the mobile sports wagering tax rate from 15% to 20%. Mobile sports wagering licensees receive 80% of mobile sports wagering proceeds, while all other licensees receive 85% of proceeds from

sports wagering and fantasy gaming. Beginning in fiscal 2026, 5% of mobile sports wagering proceeds (*i.e.*, 25% of State mobile sports wagering revenues) is distributed to the general fund and the remainder is distributed to the Blueprint for Maryland’s Future Fund, which supports public education. State revenues from sports wagering and fantasy gaming and their distributions in fiscal 2027 through 2031 are shown in **Exhibit 3**.

Exhibit 3
Distribution of Estimated State Sports Wagering and Fantasy Competition Revenues
Current Law
(\$ in Millions)

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
State Revenues					
Sports Wagering – Retail	\$2.1	\$2.1	\$2.1	\$2.0	\$2.0
Sports Wagering – Mobile	113.9	117.0	119.0	120.8	122.6
Sports Wagering License Fees	4.0	0.0	0.0	0.0	0.0
Fantasy Competition	1.1	1.1	1.1	1.1	1.1
Total	\$121.1	\$120.2	\$122.2	\$123.9	\$125.7
Distribution					
Blueprint for Maryland’s Future Fund ¹	\$92.7	\$91.0	\$92.4	\$93.8	\$95.1
General Fund	28.5	29.2	29.7	30.2	30.6
SMWOBSWA Fund ²	0.0	0.0	0.0	0.0	0.0
Problem Gambling Fund ³	1.4	1.3	1.3	1.3	1.3

SMWOBSWA: Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance

¹ The Blueprint for Maryland’s Future Fund is intended to assist in providing adequate funding for early childhood education and primary and secondary education to provide a world-class education to students in Maryland.

² Five percent of the class A-1 license fees (\$2.0 million each) and of the class A-2 license fees (\$1.0 million each) are paid into the SMWOBSWA Fund. Five percent of renewal fees are transferred to the SMWOBSWA Fund.

³ Player winnings not claimed within 182 days are distributed to the Problem Gambling Fund.

Note: Numbers may not sum to total due to rounding.

Source: Board of Revenue Estimates; Department of Legislative Services
