

HOUSE BILL 1048

C7, C6

5lr2909
CF SB 982

By: **Delegates Buckel, Fair, Hornberger, Kerr, Pippy, Tomlinson, and Vogel**

Introduced and read first time: February 5, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sports Wagering – Wagers on Historical Horse Races – Authorization**

3 FOR the purpose of altering the definition of “sporting event” for purposes of provisions of
4 law governing sports wagering to include historical horse races; authorizing certain
5 sports wagering facility licensees to accept wagers on historical horse races in a
6 certain manner and subject to certain limitations; and generally relating to sports
7 wagering on historical horse races.

8 BY repealing and reenacting, without amendments,

9 Article – State Government

10 Section 9–1E–01(a), (b), (d), (h), and (j) through (m), 9–1E–06(a)(1)(ii) through (v)
11 and (2), and 9–1E–12

12 Annotated Code of Maryland

13 (2021 Replacement Volume and 2024 Supplement)

14 BY repealing and reenacting, with amendments,

15 Article – State Government

16 Section 9–1E–01(i) and 9–1E–09(a) and (b)

17 Annotated Code of Maryland

18 (2021 Replacement Volume and 2024 Supplement)

19 BY adding to

20 Article – State Government

21 Section 9–1E–09(f) and 9–1E–09.1

22 Annotated Code of Maryland

23 (2021 Replacement Volume and 2024 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That the Laws of Maryland read as follows:

26 **Article – State Government**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 9–1E–01.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) “Commission” has the meaning stated in § 9–1A–01 of this title.

4 (d) “Horse racing licensee” means the holder of a license issued by the State
5 Racing Commission under § 11–510 of the Business Regulation Article.

6 (h) “Proceeds” means the amount of money wagered on a sporting event, less:

7 (1) the amount returned to successful bettors;

8 (2) the cash equivalents of any merchandise or thing of value awarded as
9 a prize to successful bettors;

10 (3) free bets and promotional credits redeemed by bettors; and

11 (4) all excise taxes paid by a sports wagering licensee in accordance with
12 federal law.

13 (i) (1) “Sporting event” means:

14 (i) a professional sports or athletic event;

15 (ii) a collegiate sports or athletic event;

16 (iii) an Olympic or international sports or athletic event;

17 (iv) an electronic sports or video game competition in which each
18 participant is at least 18 years old;

19 (v) a motor race event sanctioned by a motor racing governing entity;

20 (vi) except as otherwise prohibited under Title 11 of the Business
21 Regulation Article or the federal Interstate Horse Racing Act, a **LIVE** horse race, held in or
22 out of the State, if consented to and approved by:

23 1. the horse racing licensee of the applicable breed;

24 2. the organization representing the majority of the owners
25 and trainers of the applicable breed in the State;

26 3. the organization representing the majority of the
27 applicable breeders in the State; and

(iii) subject to paragraphs (2) and (3) of this subsection, issue a Class B–1 sports wagering facility license to any applicant who meets the requirements for licensure under this subtitle and who is not eligible for a Class B–2 sports wagering facility license;

(iv) subject to paragraphs (2) and (3) of this subsection, issue a Class B–2 sports wagering facility license to any applicant who is a person with less than:

1. 25 full–time equivalent employees; or

2. \$3,000,000 in annual gross receipts; and

(v) issue not more than 60 mobile sports wagering licenses to any applicant who meets the requirements for licensure under this subtitle.

(2) (i) The Commission shall issue a Class B–1 or Class B–2 sports wagering facility license to an applicant that meets the requirements for licensure under this subtitle who is:

1. the holder of a license issued by the State Racing Commission under § 11–524 of the Business Regulation Article, including a subsidiary of the license holder;

2. a person who is the owner or lessee of a facility approved for satellite simulcast betting before January 1, 2021, unless the satellite simulcast facility is located at a video lottery facility or a racetrack; and

3. a person who holds a commercial bingo license, if the facility at which the person operates commercial bingo was permitted to operate at least 200 electronic bingo machines or electronic tip jar machines on January 1, 2021.

(ii) In addition to the Class B–1 and B–2 sports wagering facility licenses issued in accordance with subparagraph (i) of this paragraph, the Commission may issue not more than 30 Class B–1 and Class B–2 sports wagering facility licenses under paragraph (1) of this subsection.

9–1E–09.

(a) **[A] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION,** A sports wagering facility licensee may accept wagers on sporting events that are made:

(1) by an individual physically present:

(i) at a video lottery facility, if the sports wagering licensee is a video lottery operator;

(ii) at Pimlico Race Course or a race track located at Laurel Park, if the sports wagering licensee is a horse racing licensee;

(iii) subject to subsection (d) of this section, at a stadium primarily used for professional football (NFL), professional major league baseball, professional hockey (NHL), professional basketball (NBA), or professional soccer (MLS), if the sports wagering licensee is the owner or a lessee or the designee of the owner or lessee of the stadium;

(iv) at the Maryland State Fairgrounds in Timonium, if the sports wagering licensee is the holder of a license issued by the State Racing Commission under § 11-524 of the Business Regulation Article, or a subsidiary of the license holder;

(v) at a satellite simulcast facility, if the sports wagering licensee is the owner or lessee of a satellite simulcast facility described under § 9-1E-06(a)(2) of this subtitle;

(vi) at a commercial bingo facility with at least 200 electronic bingo machines or electronic tip jar machines, if the sports wagering licensee is a commercial bingo operator described under § 9-1E-06(a)(2) of this subtitle; or

(vii) subject to subsection (e) of this section, at the facility identified in the application approved by the Sports Wagering Application Review Commission, if the sports wagering licensee is a holder of a Class B-1 or B-2 sports wagering facility license; or

(2) on a self-service kiosk, device, or machine, approved by the Commission, located in a facility or at a location identified under item (1) of this subsection.

(b) **[A] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A** mobile sports wagering licensee may accept wagers on sporting events that are made through online sports wagering by an individual physically located in the State.

(F) (1) SUBJECT TO § 9-1E-09.1 OF THIS SUBTITLE, A SPORTS WAGERING FACILITY LICENSEE MAY ACCEPT WAGERS ON HISTORICAL HORSE RACES THAT ARE MADE BY AN INDIVIDUAL PHYSICALLY PRESENT:

(I) AT A THOROUGHBRED OR STANDARD BRED RACE COURSE, IF THE SPORTS WAGERING LICENSEE IS THE HOLDER OF A CLASS A-2 SPORTS WAGERING FACILITY LICENSE ISSUED UNDER § 9-1E-06(A)(1)(II) OF THIS SUBTITLE;

(II) AT THE MARYLAND STATE FAIRGROUNDS IN TIMONIUM, IF THE SPORTS WAGERING LICENSEE IS THE HOLDER OF A LICENSE ISSUED BY THE STATE RACING COMMISSION UNDER § 11-524 OF THE BUSINESS REGULATION ARTICLE, OR A SUBSIDIARY OF THE LICENSE HOLDER; OR

(III) AT A SATELLITE SIMULCAST FACILITY, IF THE SPORTS WAGERING LICENSEE IS THE OWNER OR LESSEE OF A SATELLITE SIMULCAST FACILITY DESCRIBED UNDER § 9-1E-06(A)(2) OF THIS SUBTITLE.

(2) A SPORTS WAGERING FACILITY LICENSEE THAT IS NOT DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION OR A MOBILE SPORTS WAGERING LICENSEE MAY NOT ACCEPT WAGERS ON HISTORICAL HORSE RACES.

9-1E-09.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "MINUS POOL" MEANS A MUTUEL POOL IN WHICH THE AMOUNT OF MONEY TO BE DISTRIBUTED ON WINNING WAGERS EXCEEDS THE AMOUNT OF MONEY CONTAINED IN THAT MUTUEL POOL.

(3) "MUTUEL POOL" HAS THE MEANING STATED IN § 11-101 OF THE BUSINESS REGULATION ARTICLE.

(4) "PARI-MUTUEL BETTING" HAS THE MEANING STATED IN § 11-101 OF THE BUSINESS REGULATION ARTICLE.

(B) THIS SECTION APPLIES ONLY TO A SPORTS WAGERING FACILITY LICENSEE AUTHORIZED TO OFFER SPORTS WAGERING ON HISTORICAL HORSE RACING IN ACCORDANCE WITH § 9-1E-09 OF THIS SUBTITLE.

(C) SPORTS WAGERING ON HISTORICAL HORSE RACES:

(1) SHALL BE CONDUCTED AS PARI-MUTUEL BETTING; AND

(2) MAY BE CONDUCTED ON HISTORICAL HORSE RACES OF ANY BREED.

(D) (1) SPORTS WAGERING ON HISTORICAL HORSE RACES MAY BE PERMITTED ONLY IN A DESIGNATED AREA ON THE PREMISES OF THE SPORTS WAGERING FACILITY LICENSEE THAT IS APPROVED BY THE COMMISSION.

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE SPORTS WAGERING FACILITY LICENSEE SHALL POST IN CONSPICUOUS PLACES IN THE DESIGNATED AREA A GENERAL EXPLANATION OF PARI-MUTUEL BETTING

1 OFFERED ON HISTORICAL HORSE RACES AND AN EXPLANATION OF EACH
2 PARI-MUTUEL POOL OFFERED.

3 (II) THE SPORTS WAGERING FACILITY LICENSEE SHALL SUBMIT
4 THE EXPLANATION TO THE COMMISSION FOR APPROVAL BEFORE POSTING THE
5 EXPLANATION.

6 (E) A SPORTS WAGERING FACILITY LICENSEE MAY CONDUCT WAGERING ON
7 HISTORICAL HORSE RACES ONLY ON THE DAYS AND HOURS APPROVED BY THE
8 COMMISSION.

9 (F) BEFORE OFFERING WAGERING ON HISTORICAL HORSE RACES, A SPORTS
10 WAGERING FACILITY LICENSEE SHALL FIRST OBTAIN THE COMMISSION'S WRITTEN
11 APPROVAL OF ALL TYPES OF WAGERS OFFERED.

12 (G) (1) (I) AN INDIVIDUAL MAY WAGER ON HISTORICAL HORSE RACES
13 ONLY ON A TERMINAL APPROVED BY THE COMMISSION.

14 (II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,
15 THE COMMISSION SHALL APPROVE THE TOTAL NUMBER OF TERMINALS THAT MAY
16 BE AVAILABLE AT THE SPORTS WAGERING FACILITY.

17 (III) THE COMMISSION MAY NOT AUTHORIZE THE OPERATION OF
18 MORE THAN 4,000 TERMINALS UNDER THIS SECTION.

19 (2) APPROXIMATE ODDS OR PAYOUTS FOR EACH PARI-MUTUEL POOL
20 SHALL BE POSTED OR MADE AVAILABLE ON EACH TERMINAL FOR VIEWING BY
21 INDIVIDUAL BETTORS.

22 (3) ONCE A BETTOR DEPOSITS AN AMOUNT IN THE TERMINAL
23 OFFERING WAGERING ON HISTORICAL HORSE RACES, ONE OR MORE HISTORICAL
24 HORSE RACES SHALL BE MADE AVAILABLE FOR WAGERING.

25 (4) BEFORE THE BETTOR MAKES ANY WAGER SELECTIONS, THE
26 TERMINAL MAY NOT DISPLAY ANY INFORMATION THAT WOULD ALLOW THE BETTOR
27 TO IDENTIFY THE HISTORICAL HORSE RACE OR RACES ON WHICH THE BETTOR IS
28 WAGERING, INCLUDING THE LOCATION OF THE RACE OR RACES, THE DATE ON
29 WHICH THE RACE OR RACES WERE RUN, THE NAMES OF THE HORSES IN THE RACE
30 OR RACES, OR THE NAMES OF THE JOCKEYS OR DRIVERS THAT RODE THE HORSES
31 IN THE RACE OR RACES.

(5) (I) THE TERMINAL SHALL MAKE AVAILABLE TRUE AND ACCURATE PAST PERFORMANCE INFORMATION ON THE HISTORICAL HORSE RACE TO THE BETTOR BEFORE THE BETTOR MAKES THE BETTOR'S WAGER SELECTIONS.

(II) THE INFORMATION PROVIDED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE:

1. CURRENT AS OF THE DAY THE HISTORICAL HORSE RACE WAS ACTUALLY RUN; AND

2. DISPLAYED ON THE TERMINAL IN DATA OR GRAPHICAL FORM.

(6) (I) AFTER A BETTOR FINALIZES THE BETTOR'S WAGER SELECTIONS, THE TERMINAL SHALL DISPLAY:

1. THE BETTOR'S SELECTIONS;

2. THE OFFICIAL RESULTS OF EACH RACE; AND

3. A REPLAY OF THE RACE OR RACES, OR A PORTION THEREOF, WHETHER BY DIGITAL OR ANIMATED DEPICTION OR BY WAY OF A VIDEO RECORDING.

(II) THE IDENTITY OF EACH RACE SHALL BE REVEALED TO THE BETTOR AFTER THE BETTOR HAS PLACED THE BETTOR'S WAGER.

(H) (1) A WAGER ON A HISTORICAL HORSE RACE OR MULTIPLE HISTORICAL HORSE RACES SHALL BE PLACED IN PARI-MUTUEL POOLS APPROVED BY THE COMMISSION.

(2) A PAYOUT TO A WINNING BETTOR SHALL BE PAID FROM MONEY WAGERED BY BETTORS AND MAY NOT CONSTITUTE A WAGER AGAINST THE SPORTS WAGERING FACILITY LICENSEE.

(3) A SPORTS WAGERING FACILITY LICENSEE CONDUCTING WAGERING ON HISTORICAL HORSE RACES MAY NOT CONDUCT WAGERING IN A MANNER THAT RESULTS IN BETTORS WAGERING AGAINST THE SPORTS WAGERING FACILITY LICENSEE, OR IN A MANNER SO THAT THE AMOUNT RETAINED BY THE SPORTS WAGERING FACILITY LICENSEE IS DEPENDENT ON THE OUTCOME OF ANY PARTICULAR RACE OR THE SUCCESS OF ANY PARTICULAR WAGER.

(I) (1) A SPORTS WAGERING FACILITY SHALL OPERATE A HISTORICAL HORSE RACING PARI-MUTUEL POOL OR POOLS IN A MANNER AND METHOD APPROVED BY THE COMMISSION.

(2) A SPORTS WAGERING FACILITY LICENSEE OFFERING WAGERING ON HISTORICAL HORSE RACES MAY OPERATE A PLAYER-FUNDED POOL OR POOLS IN A MANNER AND METHOD APPROVED BY THE COMMISSION FOR THE PURPOSE OF ENSURING THAT SUFFICIENT FUNDS ARE AVAILABLE AT ALL TIMES TO PAY ANY WINNING WAGERS IN SITUATIONS WHERE A PARI-MUTUEL POOL BECOMES A MINUS POOL.

(3) FOR EACH WAGER MADE, A SPORTS WAGERING FACILITY LICENSEE MAY ASSIGN A PERCENTAGE OF THE WAGER TO A PLAYER-FUNDED POOL OR POOLS.

(J) (1) THE MINIMUM WAGER THAT A SPORTS WAGERING FACILITY LICENSEE MAY ACCEPT ON A WAGER BASED ON THE OUTCOME OF A HISTORICAL HORSE RACE OR RACES IS 10 CENTS.

(2) THE MINIMUM PAYOUT ON ANY WAGER MAY NOT BE LESS THAN THE AMOUNT WAGERED.

9-1E-12.

(a) (1) The Commission shall account to the Comptroller for all of the revenue under this subtitle.

(2) The proceeds from sports wagering, less the amount retained by the licensee under subsection (b)(1) of this section, shall be under the control of the Comptroller and distributed as provided under subsection (b) of this section.

(b) (1) (i) Except as provided in subparagraphs (ii), (iii), and (iv) of this paragraph, all proceeds from sports wagering shall be electronically transferred monthly into the State Lottery Fund established under Subtitle 1 of this title.

(ii) A Class A-1 and A-2 sports wagering facility licensee shall retain 85% of the proceeds from sports wagering conducted at the locations described in § 9-1E-09(a) of this subtitle.

(iii) A Class B-1 and B-2 sports wagering facility licensee shall retain 85% of the proceeds from sports wagering conducted at the location described in the licensee's application.

(iv) A mobile sports wagering licensee shall retain 85% of the proceeds from online sports wagering received by the licensee.

1 (2) All proceeds from sports wagering in the State Lottery Fund
2 established under Subtitle 1 of this title shall be distributed on a monthly basis, on a
3 properly approved transmittal prepared by the Commission to the Blueprint for Maryland's
4 Future Fund established under § 5–206 of the Education Article.

5 (c) A winning wager on a sporting event that is not claimed by the winner within
6 182 days after the wager is won shall:

7 (1) become the property of the State; and

8 (2) be distributed to the Problem Gambling Fund established under §
9 9–1A–33 of this title.

10 (d) If a sports wagering licensee returns to successful players more than the
11 amount of money wagered in any month, the licensee may subtract that amount from the
12 proceeds of up to the three following months.

13 (e) The admissions and amusement tax may not be imposed on any proceeds from
14 sports wagering.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2025.