



LARRY HOGAN
GOVERNOR

STATE OF MARYLAND
OFFICE OF THE GOVERNOR

June 14, 2022

Dear Chairman Brandt and members of the Sports Wagering Application Review Commission,

I write to you today to urge the Sports Wagering Application Review Commission (SWARC) to act immediately so that mobile sports wagering can begin in the State of Maryland before the start of the National Football League (NFL) regular season on September 8, 2022. To make that target date achievable, it is imperative that you immediately accelerate and intensify your efforts.

Marylanders have grown frustrated waiting for mobile sports wagering as they have watched it become available in state after state across the country, including our neighboring jurisdictions of Delaware, Pennsylvania, Virginia, West Virginia and Washington, D.C. I share their frustration, and I call upon you to immediately take the steps that I have outlined below.

It has been nearly two years since Maryland voters resoundingly approved sports wagering in November 2020, and well over a year since I signed HB 940 into law in May 2021. Instead of decisive action to implement the voters' decision, you have allowed the process to stagnate and become mired in overly bureaucratic procedures that have needlessly delayed the state's ability to maximize the revenue potential of this emerging industry. Almost two years later, after citizens made their choice, they are still waiting for the mobile component that will define the success of the sports wagering program. Sports fans in Maryland simply want to be able to place bets on their mobile devices — that's what they voted for, and they are angry and discouraged over SWARC's inability to make it happen.

I realize that this ongoing delay is the byproduct of an overly-complex piece of legislation that was skewed to appease special interest groups and organizations. The rest of the holdup lies with bureaucratic hurdles and legal obstacles placed by the Office of the Attorney General. While much work is ostensibly "in progress," SWARC has still not defined a clear pathway or timeline for mobile sports wagering implementation — it is simply inexcusable for that to be the case more than a year after the bill was signed into law.

With only five physical locations in the state currently accepting sports wagers, Maryland is losing tens of millions of dollars in economic investment and education revenue that should be going toward our public schools and students. Not surprisingly, many Marylanders are traveling outside of the state to place their wagers.

Our state and its citizens deserve clear and definitive action from SWARC and a legal, transparent framework to place mobile bets — not endless bureaucratic roadblocks that continue to hold back progress.

The time for deliberation has long since passed. **I am calling on SWARC to act now by prioritizing the awarding of mobile licenses for any of the retail entities named in HB 940 that have already been found qualified by Maryland Lottery and Gaming and that choose to offer mobile wagering.**

I am further calling for the following actions that SWARC can take immediately to accelerate mobile sports wagering:

- **Set a firm and transparent timeline** for mobile sports wagering at your next meeting so those involved in the industry and Maryland residents can track progress.
- **Releasing drafts of the mobile sports wagering application and accompanying regulations** immediately after your next meeting so the industry can begin preparing comments, materials and responses.
- **Apply the same approach to mobile licenses that SWARC used in expediting the facility license awards last fall.** At that time, SWARC voted unanimously that Maryland Lottery and Gaming's licensing qualification standards were sufficient to award licenses to any of the 17 retail entities that were designated in the sports wagering law. Six of these 17 entities are experienced gaming operators that are already licensed for mobile wagering in numerous other states. This consolidated approach, coupled with the sports wagering law's alternative licensing standard, would allow several of these proven entities to have mobile operations launched by early fall.
- **Expediting the named entities will make it possible to intensify efforts in guiding the small, minority- and women-owned enterprises through the application and qualification process so they can get up and running more quickly.**
- **Approve mobile sports wagering license applications on a rolling basis (first come, first served.).** The mobile sports wagering marketplace is extremely capital-intensive and highly competitive (high-risk, low-margin), and dominated by only a few companies. Setting up an arbitrary points system or setting unachievable minority equity ownership goals will likely only hurt those entities you are trying to help.

Mobile sports wagering will be dominant in Maryland, just as it is in other states, with estimates that 80% to 90% of all wagers will be made via mobile devices. The ongoing delay is preventing Maryland from fully and properly tapping into this market.

Maryland Lottery and Gaming has gone above and beyond to make this launch happen. I call on you to act with the same level of urgency and clear the way for mobile sports wagering. I, along with many other Marylanders, will be watching your next meeting with great interest.

Sincerely,



Larry Hogan
Governor

cc: John Martin, Director, Maryland Lottery and Gaming Control Agency
Randy Marriner, Chair, Maryland Lottery and Gaming Control Commission