#### **Testimony Against**

## SB 0603 Internet Gaming – Authorization and Implementation SB 0565 Expansion of Commercial Gaming - Internet Gaming referendum

Committee on Budget and Taxation

Maryland Senate

Wednesday, February 28, 2024

Presented by Tracy Lingo, President of UNITE HERE Local 7

Good afternoon, Chairman Guzzone, Vice Chair Rosapepe and members of the Maryland Senate Committee on Budget and Taxation.

My name is Tracy Lingo, I am the president of UNITE HERE Local 7. UNITE HERE is the largest Union of Casino workers in the United States. Our Union also represents hotel, food service, stadium and airport hospitality workers nationally and in Maryland.

I appreciate the opportunity to come before you today. The Gaming industry has expanded significantly over the last few decades. This expansion in States like Maryland, when done right, can fund important State and local initiatives, spur economic development beyond the Casinos and provide family sustaining jobs which further advances our economy.

iGaming is being touted as a quick fix to Maryland's budget. On behalf of thousands of Maryland's Casino workers and their local communities I ask that you look beyond this simplistic promise. iGaming if legalized in Maryland would in fact completely undermine the great progress that has and is being made in the areas of local development and job creation. It would also accelerate the most negative aspect of legalized gambling, which is problem gambling addiction.

Today you are going to hear stories from workers that will make you as state legislators feel good. Stories about how your work to develop Casino Gaming in our state has resulted in people getting jobs and thriving.

All of us want Maryland to be a great place to live and work—a state with a strong economy that allows workers to stand on their own feet and to support themselves and their families.

iGaming will hurt, not help us in reaching this goal.

UNITE HERE and other casino workers unions in Maryland are in opposition to all legislation that would lead to the legalization of iGaming in Maryland. I have included in my written testimony petitions signed by union and non-union Maryland Casino workers who ask that you please halt all consideration of legalizing iGaming.in Maryland.

First and foremost, the impact on the brick-and-mortar Casinos will be dramatic. The Innovation Report that was commissioned by the Maryland Gaming and Lottery Control Agency states clearly that we can expect a 10.2% loss of brick-and-mortar gaming revenue.

Maryland's six brick-and-mortar casinos directly employ 6,678 people as of January. According to the American Gaming Association, Maryland's gaming industry creates \$5.78 billion in economic impact and supports 27,380 jobs. The Sage Policy Group projected that legalizing iGaming could eliminate 685 direct jobs with \$33.6 million in lost annual income and a total loss of approximately 1,215 jobs with over \$65 million in lost annual income through direct and secondary effects. iGaming will not only inhibit future Maryland casino job growth, but will also lead to a loss of jobs. Union jobs.

Maryland's brick-and-mortar casino have fostered economic development connected to or adjacent to the Casinos. Ocean Downs Casino has plans on hold to construct a hotel by its casino. The Warner Street corridor next to the Horseshoe Baltimore Casino has begun developing an entertainment district which includes plans to build a hotel. The MGM Casino is a major engine for the development taking place at National Harbor in Prince George's County. iGaming will reduce the foot traffic in the Casinos and have a negative impact on all of these development plans. Why would a casino invest additional capital to improve or expand its casino/entertainment/hotel footprint if it can make money with much less investment in iGaming?

Problem Gaming. All indicators point to an exponential increase in problem gaming if Maryland enacts iGaming. The National Problem Gaming Council's 2021 Survey on Gambling Attributes found that online gamblers were as much as 8x more likely to report compulsive gambling problems and addictive behavior. More than 36% of iGaming players in PA experience problem gambling according to a 2022 report conducted for the PA Department of Drug & Alcohol Programs. The national director of Stop Predatory Gambling & Campaign for Gambling-Free Kids recently stated that:

"Online gambling is like gambling fentanyl, it's like the most extreme form of all. It's opening a casino right in your bedroom so you can sit there in your pajamas and lose everything."

Finally, we all need to be concerned that iGaming will have a negative impact on local jurisdictions. This includes not only a reduction of sales tax and alcohol tax but also less local impact money to the local jurisdictions. This local impact money which is generated from the Casinos is controlled by the local jurisdictions. It is used for a variety of projects including paying for residents' community college tuition, paying for public employees' pensions, and funding environmental sustainability, infrastructure, head start, summer youth and job training programs.

There is a reason why over 40 states, including Nevada, have <u>not</u> enacted iGaming – and why 6 states have recently rejected iGaming legislation. It is clear that iGaming is a job killer and an accelerant to problem gambling that will suppress local development and rob community programs of funds that they currently receive from the local impact money.

Please put Maryland's working families and communities first. Reject all legislation that could advance iGaming in our state.

We ask for an unfavorable reading on both SB 656 and SB 603.

# iGaming is <u>Wrong</u> for Maryland Workers and Communities



UNITE HERE Local 7 and UNITE HERE Local 25 proudly represent 2,400 members who work at the Horseshoe Casino, Ocean Downs Casino, and MGM National Harbor. Through collective bargaining, workers at those casinos have achieved family supporting wages and benefits. Legalizing online casino gambling in Maryland will put these jobs at risk.

#### Maryland Jobs with \$65 Million in Income Could Be Eliminated by iGaming

Legalizing iGaming will reduce Maryland's brick-and-mortar casino revenue by 10.2%, according to a report produced by The Innovation Group for the Maryland Lottery. It based its projection on a comparison of in-person gaming revenues in states with and without iGaming. From 2019 to 2022, states with iGaming saw in-person revenues decline 8.2%, while states without iGaming saw in-person revenues grow 2%, implying a "cannibalization rate" of 10.2%. Maryland's six brick and mortar casinos directly employ 6,678 people. According to the American Gaming Association, Maryland's gaming industry supports 27,380 jobs. If a 10.2% reduction in brick-and-mortar revenue creates a 10.2% reduction in employment, it would mean a loss of over 680 direct jobs and over 2,700 total jobs. The Sage Policy Group projected a loss of 685 direct jobs with \$33.6 million in lost annual income and a total loss of approximately 1,215 jobs with over \$65 million in lost annual income through direct and secondary effects.

#### Online Sports Betting Slashed In-Person Sports Betting by 42%

Since Maryland legalized online sports betting, in-person sports betting wagers have fallen 42% in the state. In-person sports betting handle peaked in October 2022 at \$39.7 million. Online sports betting launched the following month on November 22. In December, the first full month of online sports betting, in-person handle plummeted to \$18.8 million.

Months	Maryland Average Monthly In-Person Sports Betting Handle
Jan 2022 – Oct 2022 (Online Sports Betting Not Legal in MD)	\$26,339,181
Jan 2023 – Oct 2023 (Online Sports Betting Legal in MD)	\$15,401,425

The impact of online sports betting is already harming Marylanders who work at in-person sportsbooks as attendants, bartenders, servers, and cleaners. Many rely on tips from customers. The impact of legalizing online casino games would harm even more casino workers.

#### **In-Person Casino Gaming Fosters Economic Development**

In-person casino gaming drives investment in hotels, restaurants, retail, and entertainment venues both within and around casino properties. For example, the Horseshoe Casino in Baltimore has been a catalyst for the development of The Walk @ Warner Street that now includes a Top Golf and could include a new music venue, hotel, and retail space in the future. Online gaming will endanger economic development opportunities at casinos throughout the state, undermining the purpose of casino legalization in Maryland.

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<sup>&</sup>lt;sup>1</sup> The Innovation Group, "iGaming in Maryland," November 2023

Maryland Lottery and Gaming Commission, Data Dashboard, January 2024, Retrieved from: <a href="https://www.mdgaming.com/wp-content/uploads/2024/02/Dashboard\_January2024\_2\_14\_24.pdf">https://www.mdgaming.com/wp-content/uploads/2024/02/Dashboard\_January2024\_2\_14\_24.pdf</a>

iii American Gaming Association, "Gaming by the Numbers: Maryland," as of December 31, 2023. Retrieved from: <a href="https://www.americangaming.org/wp-content/uploads/2019/07/AGA-2021-State-Economic-One-Pager-Maryland.pdf">https://www.americangaming.org/wp-content/uploads/2019/07/AGA-2021-State-Economic-One-Pager-Maryland.pdf</a>

iv Anirban Basu, Sage Policy Group, Inc., Memo to Anne Arundel County Chamber of Commerce Re: iGaming in Maryland, January 4, 2024. Retrieved from: <a href="https://annearundelchamber.org/wp-content/uploads/2024/01/igamingreport.pdf">https://annearundelchamber.org/wp-content/uploads/2024/01/igamingreport.pdf</a>

v WBAL 11, "TopGolf to open Friday as part of newly named entertainment district," October 25, 2022, Retrieved from: <a href="https://www.wbaltv.com/article/topgolf-open-fridaythe-walk-at-warner-street-baltimore/41767204">https://www.wbaltv.com/article/topgolf-open-fridaythe-walk-at-warner-street-baltimore/41767204</a>
Caves Valley Partners, "Horseshoe Casino/Warner Street Entertainment District," Retrieved from: <a href="https://cavesvalleypartners.com/project/horseshoe-casino/">https://cavesvalleypartners.com/project/horseshoe-casino/</a>

December 2023

To: The Honorable Wes Moore, Governor of Maryland
The Honorable Bill Ferguson, President of the Maryland Senate
The Honorable Adrienne Jones, Speaker of the Maryland House of Delegates

We, the undersigned employees of Maryland Casinos are opposed to the legalization of iGaming, including live online poker, in our State.

- 1. The introduction of iGaming or any variation of it will have a negative impact on Maryland's brick and mortar Casinos causing job loss and reduced demand for goods and services from local businesses.
- 2. iGaming increases problem gaming due to the isolation of patrons gambling at home.
- 3. Reduced traffic in the Casinos would lead to decreases in overall tax revenues including those from Alcohol and Sales Tax and discourage economic development connected to the casinos.

Maryland legalized Video Lottery Terminals (VLTs) and then table games to a large degree because of job growth and economic development. iGaming is a serious threat to both.

Print Name	Signature	Job at a Md Casino
Chankl Kimbe	Cla Grova.	Case casher
KIM MILES	Hy 915403	SLOT ATENIDANT
I saly Teagur	Ceabre fleage	Table Cores Doles
Melissa Colbert	Workers	beverge Seever
Chedenner Parks	Chedwon	Beverge Source
emani lee	Sme In	PANALOUS SIDANISCO
)(ga Petrikova	An	Bruroge a parvisor beverage seri
Them Jayre	Mysay	table garres
Iren Sinpson	15 A 1800	Sports book
Eva Poliszczy	Leva Polisigal	Bartendor
enge Haddawaye	D) Darego Hodomas	barnoll

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Print Name	Signature	Job at a Md Casino
Barbara Bullon	K Barbara	
Mexillia Castor	Dog	Horsehore Dealer TAble Game
NIZLIE APPENITON	nu 3 Hreg	HOSSHOE PARTITIES
BRANDON Stem.	Ma	
Robert Caine	Rolet Cane	Barback
GAUTOM BK	937	TABLE GAMES DEPLEC
Sary Mackey	Hary Markey	EUS-HD
End- (gut		Tuble games
NELISSA PORTER-BELCH	Kelin Hotelen	TAble GAMES
Dominique Brown,	Comingue A Shown	Slot Attendant

### <u>Petition</u>

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Print Name	Signature	Job at a Md Casino
Flord Justice	Alayl Jut	Tubles Games
AbertoDunal	MADL	The Comer
GilbertMyers	Dilbert Myers	EVS-ATT
William W. Kontre	Willia K.	EDR-COOK
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Print Name	Signature	Job at a Md Casino
Glorin E Shell	Gloria E Shell	Hose shore
Elsa Gonzalez	Daydo	Hose shove
JAKOBT, CALLAHAN		Horseshoe
MICHE MATHENTY	Mayle Markery	HOUSESHOE
Dirhem Smith	Dank J	Horseduce
Froma Tucker		Horseshul
Russell Wilson		Horse Sho E
Thelsea HARVIN	Julan Jam	Horse stre
Germaine Balindul	Guall	HORDE Shoe
Wes Cyrry	Wes Clery	H.S.C.

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Print Name	Signature	Job at a Md Casino
Fillit IVallie	Signature	Job at a Ivid Casillo
Selina Franklin	Solina Franklin	
Jerry Wheeler	SpreyWheeler	Table Games Dealer
Geraldine / Jooks	Serlen Wood	Socrity
thy Ward	2 mil	Table game dealer
Eliph Brown	Edyard Brown,	EUS
Ahmd Hista	Horne Genter	Sterward
Anglica Burton	Angul Nath	Table Games Dealor
D'Anche Carre	Deluke Geza	TG Role/
WAYNE SMITH	Wayne Sin	TG Dpalpr
Lakayla Muse	July 1	TG Dual-Rate

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Print Name	Signature	Job at a Md Casino
Justin B Johnson	Justin B Johnson	Horseshoe Casino
Damon C. Kingwork	Namon C. Kingum	Horseshoc
Gilbert Myers	Lilbert Myers	Horseshoe
Henneth Kates	mull Grates	EDR
Wayne Snyh	Mother	horseshoe
Abigail 16/05	all Yels	Horseshoe
Edward Witol	May Live	horseshoe
Joshua Cook	M	TG HorsevLoe
SABGIA SCOTT	Sect	EUS HOrseshoe (Asina
JASON STILLS	GWILL	COUNT RM

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Print Name	Signature	Job at a Md Casino
Tyonera &	Shyploner Hunserf	EDA repersolario.
HUISCY	yoursey	
Kristina Krates	Kristina Kata	Lead steward Hosseshoe Casino
Shaquila Reddick	Thomas Leidye	EVS HOESING Cashing
Chanel Ervin	and hi	Eus Hurseshoe casino
Zach Roselle	1/10 5895	Horsesher Table Gamy Dealer
Soseph Foste	Joseph Short	Hurshoe Tuble Game, Daler
Frankie Bates	Freder Bute	EVS horseshoe
KESHAV MADAI	thi	TABLE YAMES.
TITENDRA BISTA	Hist.	TOBLE GAMES.
PRARASHY Josh	Alve	TASIF 4 AMES