Testimony of The Cordish Companies and Live! Casino Hotel Maryland

Presented by Mark Stewart, General Counsel

In OPPOSITION to HB 1218

Ways and Means Committee Hearing

February 29, 2024

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony in **opposition** to HB 1218 and the proposed authorization of online lottery games ("iLottery") in Maryland. To be clear, approving iLottery is tantamount to approving iGaming with a single operator; *i.e.*, the State. Both iLottery and iGaming result in slot machine-like games being available 24/7 on everyone's smartphones (*except Lottery games are available to 18-year-olds and older*).

The Maryland Lottery has tried to draw a distinction between iLottery and iGaming, claiming that the former involves offering "traditional lottery" games over the Internet while the latter involves offering "casino-style" games over the Internet. With due respect to the Lottery, in the other states that have iLottery, that is simply not the case – **there is virtually no distinction between the iLottery games and online slot machines**.

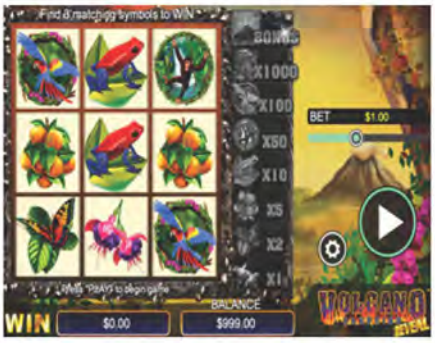
In the typical iLottery state, the lottery hires a slot machine manufacturer or slot machine game content creator to provide them with iLottery games and operate the online platform for the state. Not surprisingly, the product these companies provide the lotteries mimic and simulate slot machines.

- The math and mechanics behind iLottery games are the same as a slot machine.
- The prize structure for iLottery games is the same as a slot machine.
- To the player, the games look, feel and play just like a slot machine, frequently with slot-like bonus games within the game. Indeed, many of the games provided to the lotteries are older versions of the same games that the manufacturer is also currently selling to licensed casinos and/or online casino operators in those and other states.

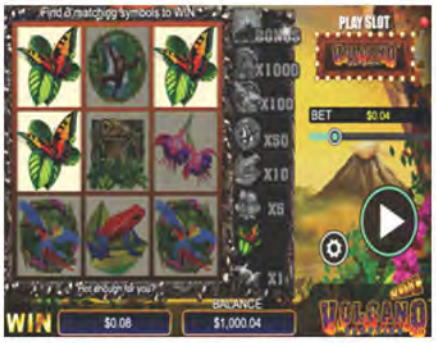
Below are images of iLottery games that have been offered by the Pennsylvania Lottery and their casino game counterparts.

Images of Volcano Eruption Game –
iLottery and Internet Casino Versions

iLottery Volcano Eruption



Internet Casino Volcano Eruption



Images of iLottery Game Super Gems and Casino Game Bejeweled

iLottery Super Gems

Casino Game Bejeweled

The similarities between the games are striking. Included with this testimony are additional examples of iLottery games that are copy-cat versions of slot machines.

Advocates of iLottery frequently contend that iLottery players and casino players are not the same customers so the State and Maryland's gaming industry have nothing to worry about. However, if that premise is true, then the obvious question is – why do lotteries need to offer iLottery games that are so similar to casino games? Why would lotteries hire slot machine manufacturers to provide their iLottery games and program? Why are lotteries using the same titles and themes as casino slot machines, with the same functions and bonus games?

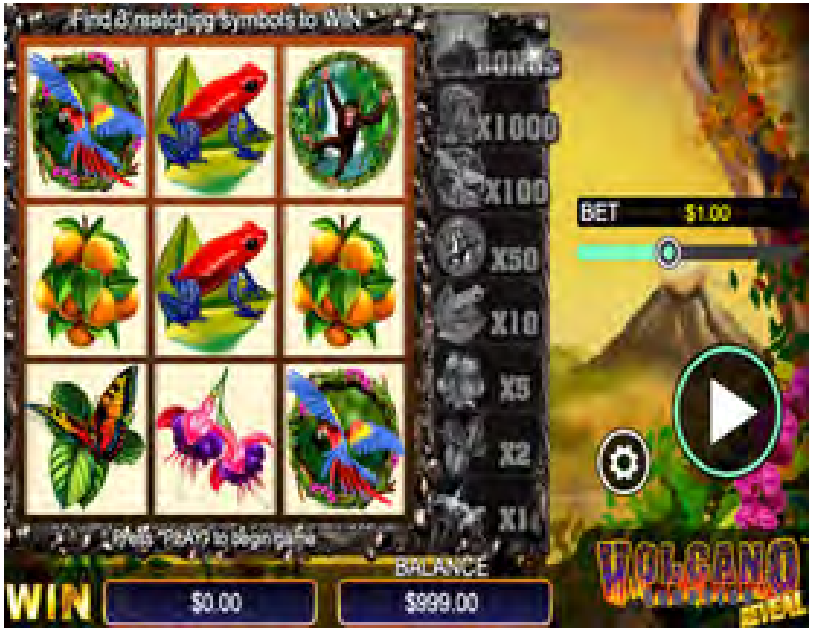
Just as The Innovation Group found that iGaming would cannibalize gaming revenue at the State's six casinos, so too will iLottery if it is authorized by the General Assembly. Instead of visiting Maryland's casinos (and their restaurants, hotels, entertainment venues and retail outlets), an iLottery program would enable residents of Maryland to play slot-like games from their homes, jobs, cars, schools, etc., 24 hours a day, seven days a week, using their credit cards. iLottery also places the Maryland Lottery in the incompatible role of being both a regulator of casinos and a direct competitor of them on the same or similar games.

Additionally, iLottery, which is a form of online gambling, will create many of the same problem gambling concerns and result in many of the same increased social costs as iGaming. *Indeed, 18-20-year-olds can play the Maryland Lottery's games*. Much like iGaming, a relatively small number of states have iLottery and its impacts require further study by the University of Maryland Center for Excellence on Problem Gambling and other experts.

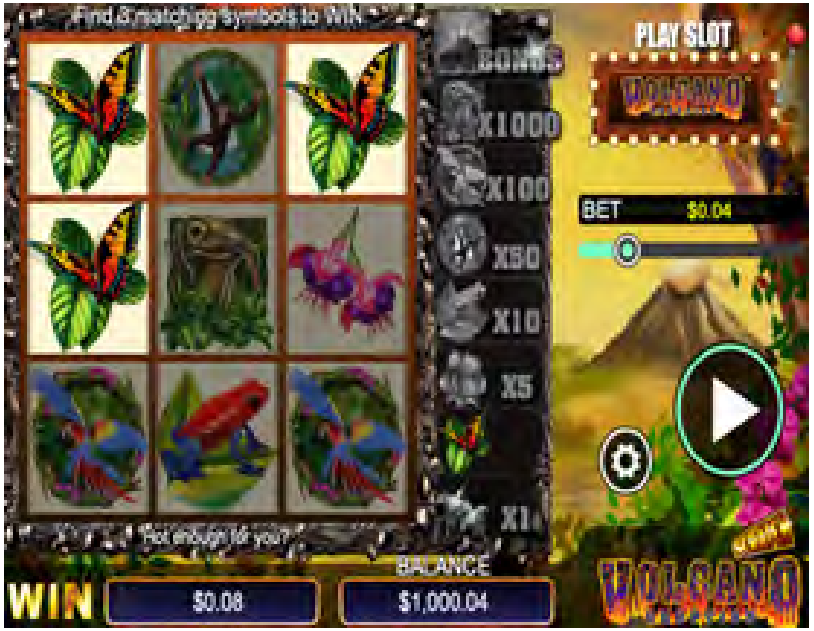
While the Maryland Lottery supports many important causes, the Education Trust Fund, local impact grants, funding for small minority and women-owned businesses and other initiatives supported by casino gaming tax revenues are equally significant legislative policy priorities. iLottery will undermine those legislative priorities. We urge you to oppose HB 1218. At the very least, the State should complete the studies of mobile gambling called for in HB 1029 and SB 878 before considering whether to expand online gambling through iLottery.

Images of Volcano Eruption Game – iLottery and Internet Casino Versions

iLottery Volcano Eruption



Internet Casino Volcano Eruption



Images of iLottery Game Super Gems and Casino Game Bejeweled

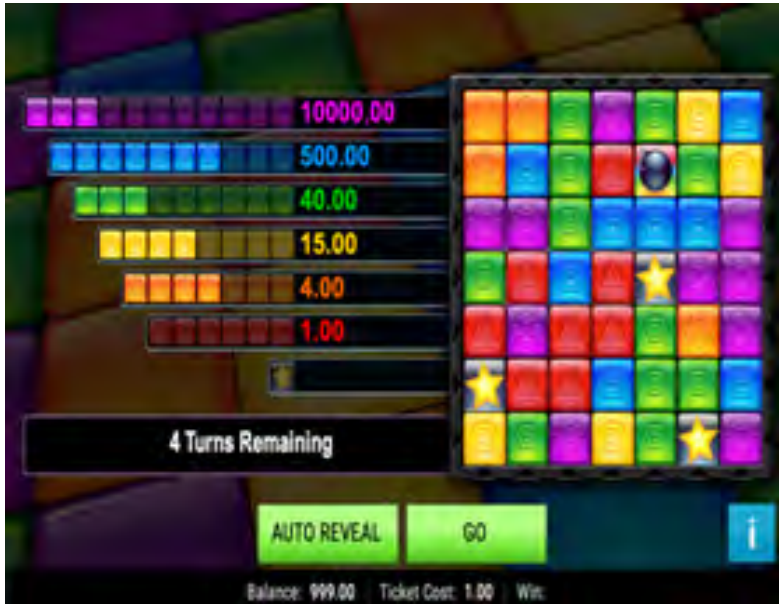
iLottery Super Gems

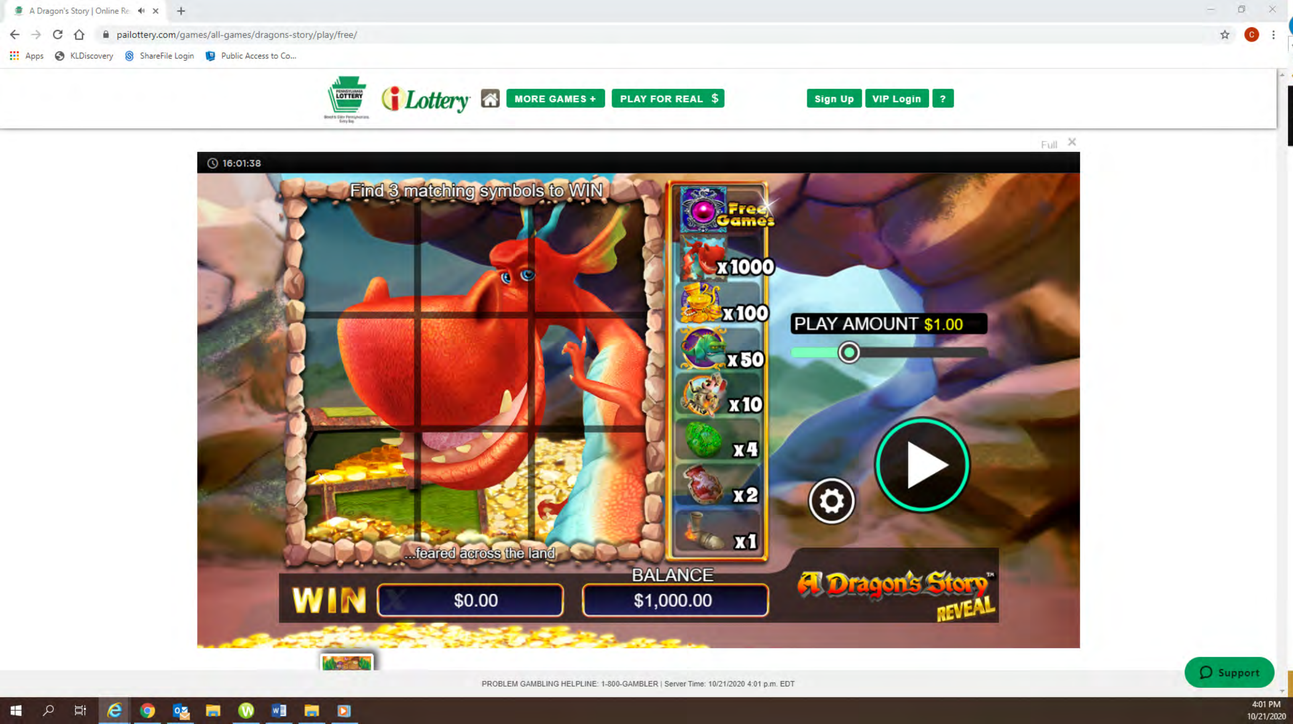
Casino Game Bejeweled

Images of iLottery Game Super Cash Buster and Internet Casino Game Color Cubes

iLottery Super Cash Buster

Internet Casino Colour Cubes

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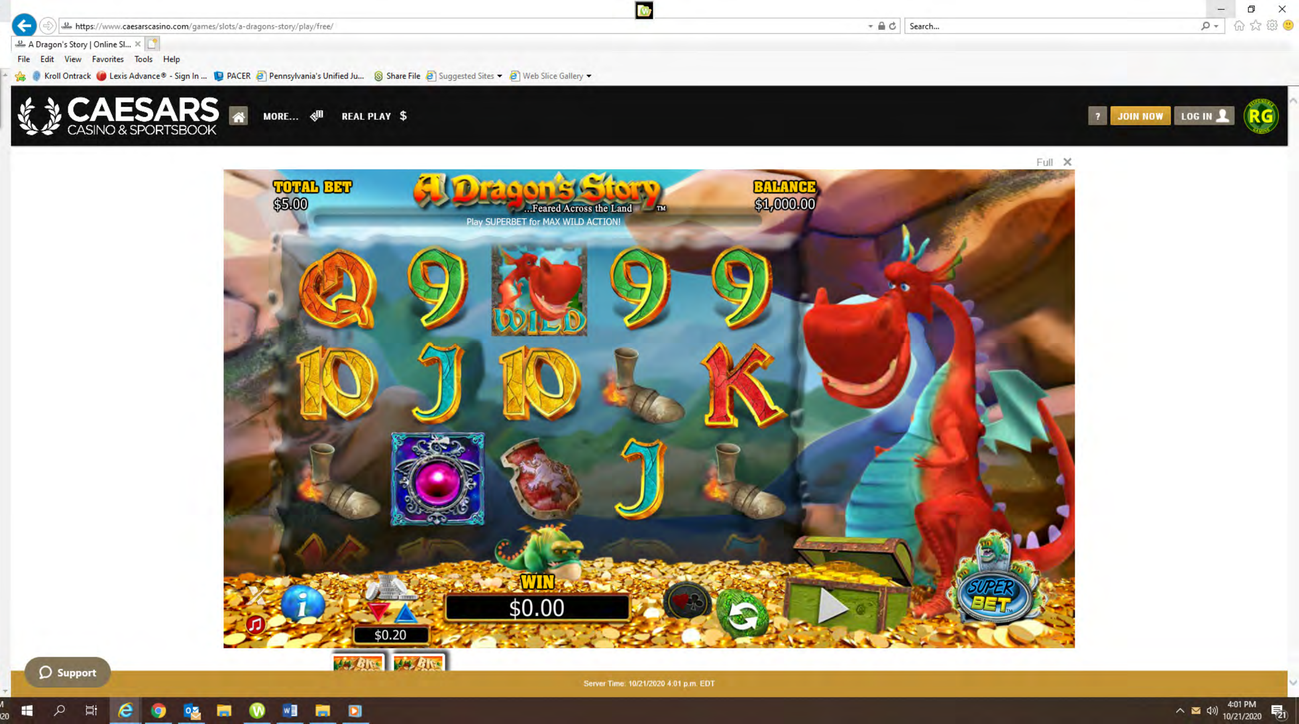
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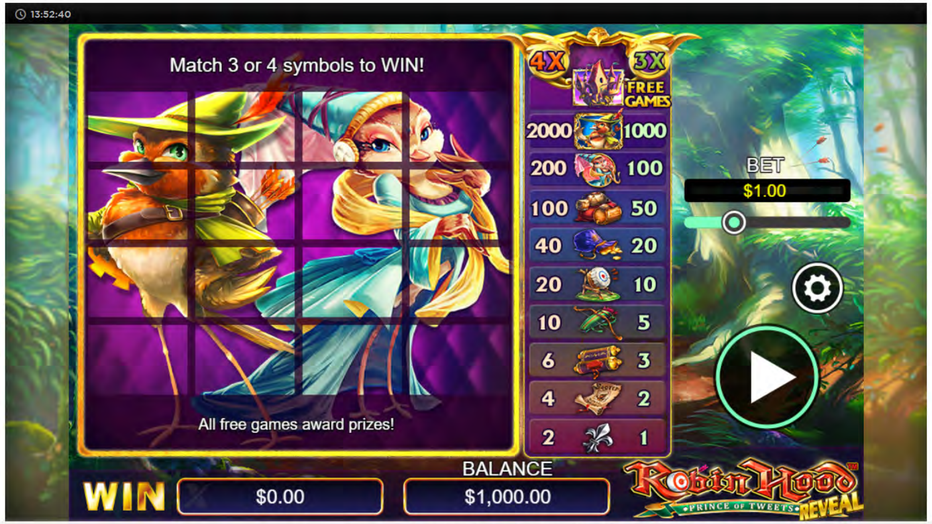

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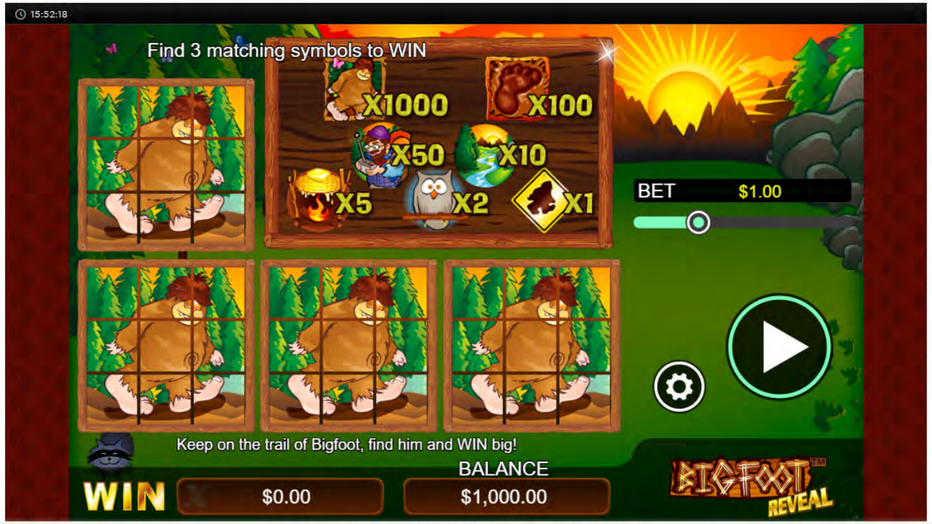

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Images of Slingo Big Money Game – iLottery and Internet Casino Versions

iLottery Slingo Big Money

Internet Casino Slingo Big Money