

Delegate Vanessa E. Atterbeary, Chair
Ways and Means Committee
Room 131 House Office Building Annapolis, Md. 21401

Re: HB 17-Internet Gaming

Dear Honorable Chair Atterbeary:

House Bill 17, which would legalize and regulate internet gaming in Maryland, raises concerns about its potential impact on the current Minority Business Enterprises (MBEs) that provide services for Maryland Casinos. While the bill expands gaming opportunities, it does not include specific provisions to ensure MBE participation in the internet gaming market.

Additionally, the bill directs revenue from internet gaming to the Blueprint for Maryland's Future Fund, rather than the Education Trust Fund, which historically supports public schools and historically Black colleges and universities. While the Blueprint for Maryland's Future Fund is designed to enhance education statewide, it does not include specific allocations for MBEs. Therefore, House Bill 17 could have a negative impact on current MBEs that provide services for Maryland casinos, as well as on educational opportunities for minority students in the state.

While the bill aims to expand the gaming industry, its effects on small minority businesses need careful consideration and targeted support to mitigate potential negative consequences. House Bill 17, which would legalize and regulate internet gaming in Maryland, raises significant concerns about its potential impact on current Minority Business Enterprises (MBEs) that provide services for Maryland casinos. While the bill expands gaming opportunities, it does not include specific provisions to ensure MBE participation in the internet gaming market. Without clear inclusion policies, many small minority-owned businesses could be excluded from benefiting from this new sector, ultimately reducing the diversity of business participation in Maryland's gaming industry.

Additionally, the bill directs revenue from internet gaming to the Blueprint for Maryland's Future Fund, rather than the Education Trust Fund, which historically supports public schools and historically Black colleges and universities. While the Blueprint for Maryland's Future Fund is designed to enhance education statewide, it does not include specific allocations for MBEs or minority-serving institutions, potentially diminishing critical funding sources for underrepresented communities.

Beyond its economic and business implications, House Bill 17 also raises concerns about consumer protection and responsible gaming. The transition to online gaming could make it more difficult to enforce strict age verification measures, potentially increasing the risk of underage gambling. Unlike brick-and-mortar casinos, which require physical identification for entry, internet gaming platforms rely on digital verification systems that can be susceptible to fraud and misuse. This loophole could lead to a rise in gambling addiction among minors and vulnerable populations, posing serious social consequences for families and communities. Online gaming introduces an increased risk of problem gambling due to the ease of access and 24/7 availability. Without strong regulatory oversight and mandatory consumer protections, individuals struggling with gambling

addiction may face heightened financial and psychological risks. The bill does not clearly outline how Maryland will address these challenges, leaving questions about whether adequate safeguards will be in place.

While House Bill 17 aims to expand the gaming industry, it could have unintended negative consequences for MBEs, minority educational funding, consumer protections, and responsible gaming. Lawmakers should carefully consider these risks and implement necessary safeguards to ensure that the bill does not disproportionately harm small minority businesses, public education funding, or vulnerable communities. I would ask that the House give a non-favorable vote to HB17.

Sincerely,

Michael Davis
Magothy Tech