

Testimony of The Cordish Companies and Live! Casino Hotel Maryland

Presented by Mark Stewart, General Counsel

In OPPOSITION to HB17

Ways and Means Committee Hearing

February 10, 2025

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony in opposition to HB17 and the authorization of online casino gambling (“iGaming”) in Maryland. The Cordish Companies and Live! are Maryland-based and Maryland headquartered, family-owned companies, with a long history of economic, civic and community investment in the State. We oppose HB17 because iGaming will do nothing to help get the State out of its budget deficit, but threatens financial, economic and personal harm to Maryland and Marylanders.

New Developments

Many new developments have occurred on this topic since last year’s Committee action on a predecessor iGaming bill. Just last month, public health and problem gambling experts held a forum on the harms of online gambling at Harvard University’s T.H. Chan School of Public Health. About online gambling, Professor of Global Health Shekhar Saxena explained:

It’s definitely much more harmful than the usual other kinds of traditional gambling that people indulge in. It’s continuous, it’s intense, and it can be financially – and also physically and mentally – extremely harmful. Online gambling can be 10 times more harmful than other forms of gambling.¹

Consistent with this, the National Problem Gambling Council reports that it has seen a 30% increase in the risk of gambling addiction that coincides with the expansion of online gambling over the past three years.²

iGaming poses an especial risk for teens and young adults. As Lia Nower, Director of New Jersey’s Rutgers Center for Gambling Studies declared at the Harvard forum: “**Adolescents and emerging adults are the most at risk from online gambling.**”³ The alleged “safeguards” and

¹ [Online gambling: The stakes for public health | Harvard T.H. Chan School of Public Health](#)

² *Deseret News*, “Online gambling: the stakes for public health” (Jan. 24, 2025).

³ *Supra* n. 1.

account login requirements cited by iGaming advocates have proven to be no match for tech savvy minors and others looking to engage in online gambling. Consider:

- **34% of minors** in Buenos Aires, Argentina have engaged in online gambling, **bypassing adult verification checks**;⁴
- 11% of adolescents worldwide have gambled online as per the Lancet Health Commission;⁵ and
- In January 2025, the Pennsylvania Gaming Control Board **placed eight people on the state’s Involuntary iGaming Exclusion List for creating and accessing 98 separate iGaming accounts using other people’s personal identifying information**.⁶

Additional new developments since the Committee’s last consideration of iGaming include the following, all of which strongly warn against iGaming:

- The Lancet Public Health Commission, the World Health Organization and the National Institute of Health have all identified online gambling as a public health concern and have reported on its damaging consequences among young people and society at large. **Lancet Public Health Commission found that “with smartphones functioning as pocket casinos . . . 80 million adults globally are already problem gamblers”;**⁷
- Calls to problem gambling helplines continued to skyrocket in Pennsylvania (290%), New Jersey (277%) and Michigan (267%) since the launch of iGaming.⁸ As Felicia Grondin, executive director of the Council on Compulsive Gambling of New Jersey, said about the spike in that state: **“A lot of [the 277% increase] has to do with easy accessibility for people to place wagers via their phone;”**⁹
- Numerous universities, such as Northwestern University, University of Kansas, BYU, UCLA and more, have issued reports detailing the negative financial impacts of online gambling.¹⁰ These studies found that **iGaming’s negative impacts are especially**

⁴ *SBCNEWS*, “Argentina orders immediate debate on federal ban of gambling advertising” (Nov. 21, 2024) <https://sbcnews.co.uk/southamerica/2024/11/21/argentina-debate-gamban/>

⁵ Lancet Public Health Commission on gambling (October 24, 2024), [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(24\)00167-1/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(24)00167-1/fulltext)

⁶ www.gamingcontrolboard.pa.gov/news-and-transparency

⁷ *The Guardian*, “The Guardian view on gambling: a public health approach is a good bet” (Oct. 29, 2024); Lancet Public Health Commission on gambling (October 24, 2024), [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(24\)00167-1/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(24)00167-1/fulltext).

⁸ *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024); www.abc12.com, “Revenue and addiction skyrocket in 5 years since law legalizing online gambling” (Nov. 19, 2024); see National Problem Gambling Council helpline call data (PA) 2019-2023.

⁹ *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024)

¹⁰ *Gambling Away Stability: Sports Betting’s Impact on Vulnerable Households*, Scott R. Baker, Justin Balthrop, Mark Johnson, Jason Krotter, Kevin Pisciotta (June 30, 2024); *Online Gambling Policy Effects on Tax Revenue and Irresponsible Gaming*, Wayne J. Taylor, Daniel M. McCarthy, Kenneth C. Wilbur (June 6, 2024); *How gambling*

harmful to low-income gamblers and vulnerable households, putting them in an even worse financial position. They show bankruptcies increasing as much as 30%, debt collections up 8% and car loan delinquencies up nearly 10%;

- Brazil’s Central Bank reported in September 2024 that **20% of welfare funds issued by the government were being spent on online gambling**;¹¹
- A report from the United Kingdom found that nearly 1 in 5 online gamblers reported betting more than they could afford;¹²
- Additional evidence was reported on increases in gambling by minors and young adults –
 - ☒ 75% of college students surveyed by the Council on Compulsive Gambling of New Jersey reported their first exposure to gambling between ages 6-16;¹³
 - ☒ Nearly 25% of all online gambling accounts in the Netherlands are held by 18-23 year olds; and¹⁴
 - ☒ 54% of problem gambling helpline calls in New Jersey are from those under 34 years old (with 100% of calls from those under 25 being from men);¹⁵
- The United Kingdom has proposed a **£100 Million annual tax on its online gambling industry to help address online gambling addiction treatment and research**;¹⁶ and
- Legislation – entitled “Gambled and Lost” – has been introduced in the Dutch Parliament to **repeal iGaming and impose a complete ban** due to “severe unpleasant side effects leading to widespread social issues, including a sharp rise in gambling addiction and related mental health problems.”¹⁷

iGaming is Not a Revenue Fix for the State

While much has changed since last session, many aspects about iGaming remain the same:

affects the brain and who is most vulnerable to addiction, Emily Sohn (July 2023); *The Financial Consequences of Legalized Sports Gambling*, Brett Hollenbeck, Poet Larsen, Daivde Proserpio (July 23, 2024).

¹¹ *iGaming Business*, “Brazil supreme court upholds ban on betting with benefits and ads targeting minors” (Nov. 15, 2024).

¹² UK Department for Culture, Media & Sport, “High Stakes: gambling reform for the digital age,” [High stakes: gambling reform for the digital age - GOV.UK](#)

¹³ [www.nj1015.com](#), “Link between gaming and problem gambling among NJ youth” (Oct. 9, 2024).

¹⁴ *NEXT.io*, “Dutch MPs call for repeal of online gambling legislation” (Oct. 10, 2024) [Dutch MPs call for repeal of online gambling legislation](#)

¹⁵ *Supra* n. 13.

¹⁶ *Londonlovesbusiness*, “Will the Government go through with its £100m levy on gambling companies?” (Jan. 15, 2025) <https://londonlovesbusiness.com/will-the-government-go-through-with-its-100m-levy-on-gambling-companies/>

¹⁷ *Supra* n. 14.

1. iGaming is a jobs killer – Nearly 7,000 Marylanders could lose their jobs if iGaming is enacted according to a report by Sage Policy Group.¹⁸ All casino unions oppose iGaming.
2. iGaming causes substantial cannibalization – iGaming will significantly cannibalize tax revenue generated by Maryland’s six brick and mortar casinos. According to Deutsche Bank, this fact “is and has been overwhelmingly obvious for some time.”¹⁹ Sage Policy Group, Innovation Group and others all agree. The experience in other states shows that cannibalization could exceed 20%.
3. iGaming harms economic development – The significant reduction in foot traffic at Maryland’s casinos will also result in substantial losses of related economic activity and reduced investment in Maryland. This means less sales tax, wage tax, alcohol tax, property tax revenues and more, as well as financial losses for Maryland small businesses, construction trades and non-profits. Sage Policy Group projected the State will lose an additional \$74 Million annually in non-gaming tax revenue.²⁰
4. iGaming sends Marylanders’ money out-of-state – iGaming does not promote tourism. Instead, iGaming relies almost exclusively on Marylanders for wagers. At the same time, the majority of operator revenue from iGaming will flow to technology platform providers outside of Maryland.

A thorough economic analysis shows that iGaming will not be a revenue fix for the state. The real question is what is the net, incremental tax revenue to the State from iGaming? The net gain is calculated only *after* deductions for cannibalization of brick and mortar gaming taxes, *after* deductions for lost hotel, restaurant and entertainment tax revenues from lost foot traffic, *after* lost tax revenues stemming from significant job losses caused by iGaming, *after* lost tax revenue from reductions in casino purchases from small businesses and suppliers, and *after* deductions for the major increases in social costs related to increased problem gambling, bankruptcies, welfare, health care costs, homelessness and criminal justice impacts. **This comprehensive picture – which is not considered in the fiscal note – reveals that iGaming will not produce any material net tax revenue for the State.**

Proof of concept already exists. The launch of online sports betting cost the State money; it did not add incremental net tax revenue. In 2023, even after considering the new tax revenue mobile sports betting generated, Maryland lost approximately \$75 Million in total gaming tax revenue because the loss of foot traffic in the State’s casinos drove down table game and VLT

¹⁸ Sage Policy Group, *The Economic Implications of iGaming Legalization in Maryland* (March 2024).

¹⁹ Carlos Santarelli, Deutsche Bank Analyst, *CDC Gaming Reports*, “Gaming execs say they are optimistic about the future” (Nov. 18, 2024).

²⁰ *Supra* n. 18.

play and tax revenue. Based on data from last session, considering cannibalization of gaming taxes, lost taxes from reduced economic output, and anticipated social costs, iGaming would need to generate more than \$500 Million in tax revenue for the State just to break even – and projections are not even close to those levels.²¹

While not providing any financial help, iGaming presents real financial risk for the State and its gaming industry. With its harmful impacts on casino employees, their casino employers and reinvestment in brick and mortar casino properties, a leading gaming industry writer has concluded that “iGaming is part of a vicious cycle of decline in [New Jersey].”²²

iGaming will Not Stop the Illegal Market

Make no mistake – **online gambling is currently illegal in Maryland.**²³ iGaming does not need to be legalized in order for appropriate law enforcement agencies to take enforcement action against illegal online operators. Furthermore, multiple studies have shown that **legalization does not stop the illegal iGaming market – in fact, it grows.**²⁴ As a September 2024 article in *The Washington Post* explained:

When the gambling industry urged the Supreme Court to strike down the federal ban on most bookmaking outside Nevada, it cited states’ desire “to combat sprawling black markets for illegal sports gambling.” Indeed, many of the 37 states to legalize sports betting since 2018 said doing so would help drive out operators . . . that have thrived since the 1990s without paying U.S. taxes. But a staggering amount of action continues to go offshore — and bypass state and federal tax collectors — despite the growing availability of licensed sportsbooks, which, unlike their black-market competitors, must comply with rigorous consumer protections and anti-money-laundering protocols.²⁵

²¹ See Sage Policy Group, *The Economic Implications of iGaming Legalization in Maryland* (March 2024); Sage Policy Group, *iGaming in Maryland* (January 2024); The Innovation Group, *iGaming in Maryland* (November 2023); and NERA Economic Consulting, *Economic Assessment of iGambling in New Jersey* (Nov. 2023).

²² CDC Gaming, “iGaming is part of a vicious cycle of decline in Atlantic City” (Oct. 20, 2024).

²³ Maryland Code, Crim Law §§ 12-102, 12-301 and 12-301.1.

²⁴ *The Washington Post*, “Legal sports betting was supposed to end the black market. It didn’t” (Sept. 12, 2024); 22News wwlp.com, “Legalization didn’t undercut illegal sports betting” (Sept. 3, 2024); *The Guardian*, “Two-thirds of Super Bowl Bets were Illegal as Black Market Thrives” (Feb. 23, 2024); NERA, *A Response to iDEA’s Review of NERA’s New Jersey iGambling Study* (Feb. 4, 2025);

<https://cdn.sanity.io/files/42ezp3ki/production/3c51bcc5f56e9f4e49be0d36910c0db943805877.pdf>;

https://massgaming.com/wp-content/uploads/OPS23-Report_2024-07-05_clean.pdf

²⁵ *The Washington Post*, “Legal sports betting was supposed to end the black market. It didn’t” (Sept. 12, 2024).

Enforcement and legislation to bolster the State’s civil and criminal enforcement tools to combat the illegal market are the answer – not iGaming.

Conclusion

Only seven states have iGaming. **43 states have not authorized it.** According to a recent poll, only 25% of Maryland voters favor iGaming expansion.²⁶ The Cordish Companies has consistently opposed iGaming across the states in which we operate. In Pennsylvania, where it was legalized despite our opposition and before our two casinos opened, we conduct iGaming. Should HB17 be enacted, Live! Casino Hotel Maryland may do so here and, if so, will do very well financially given our position as a market leader in casino and sports betting. Yet, despite our potential gain, we oppose iGaming because we believe it is bad for our home state, bad for our team members, and bad for Marylanders. We respectfully urge no favorable report on HB17.

²⁶ *WSN*, “Maryland takes another shot at iGaming legislation” (Feb. 5, 2025).