



February 10, 2025

**SUBMITTED TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE
BY JEFF MORRIS, VICE PRESIDENT, PUBLIC AFFAIRS & GOVERNMENT RELATIONS FOR PENN
ENTERTAINMENT, INC.**

Good Morning, Chair Atterbeary and members of the House Ways and Means Committee, my name is Jeff Morris and I am the Vice President of Public Affairs and Government Relations for PENN Entertainment. I appreciate the opportunity to submit testimony to this Committee regarding online casino gaming.

As you may be aware, our Company developed and opened the first casino in Maryland in 2010, Hollywood Casino Perryville. Following a divestiture in 2014 required by the creation of the real estate investment trust Gaming and Leisure Properties, Inc., PENN reacquired the property in 2021 and has since proudly operated Hollywood Casino, which is one of 43 properties in our portfolio across 28 jurisdictions.

In Perryville, we currently employ over 315 team members, offering competitive salaries and wages and a robust wellness and benefits program, which includes traditional benefits and numerous additional programs, such as tuition reimbursement and workforce training partnerships. Hollywood Casino Perryville also happily supports dozens of worthwhile charitable organizations, including but not limited to the following: Habitat for Humanity, Maryland Veterans Trust Fund, House of Hope Animal Rescue, Christiana Care Breast Center, Janet Memorial Scholarship Fund, American Cancer Society, Cecilton Volunteer Fire Company, Aspire Living and Learning, SARC (Sexual Assault/Spouse Abuse Resource Center), and CHEP (Chesapeake Health Education Program).

We are also proud partners with Bowie State University and recently contributed \$1 million to their endowment as part of the PENN Diversity Committee's STEM Scholarship Program with Historically Black Colleges and Universities nationwide. PENN also supports STEM academic programs on campus, and we offer internships to Bulldogs through our Leadership Excellence at PENN program.

We appreciate the hard work being done by this Committee to consider the legalization of online casino gaming, or "iCasino", in Maryland. Like others in the industry, PENN supports the legalization of internet gaming as a key catalyst for growth, as it can be complementary to existing brick and mortar business and drive gaming and associated tax revenue. As you are aware, the border states of New Jersey, Delaware, Pennsylvania, and West Virginia allow for iGaming, and we are proud to offer our online Hollywood Casino products in neighboring states. Coupled with our existing casino properties and ESPN BET sports betting app, the inclusion of iGaming has resulted in PENN becoming a best-in-class omni-channel provider of entertainment to these constituencies.

However, unlike sports wagering, which has quickly become legalized in 39 states and the District of Columbia in less than six years, we are still in the nascent stages of legal iGaming in the United States, with only a handful of states in operation.

Across the country, advocates and opponents are issuing white papers, case studies and reports on the benefits and dangers of online gaming. Two unique circumstances pose problems in the analyses of both camps: the COVID-19 pandemic and the rapid proliferation of illegal slot machines and so-called “skill games” across the country.

The pandemic upended the gaming industry, changing customer habits across the board and the way casinos operate across the country. Meanwhile, the influx of tens of thousands of slot machines and skill games in bars, taverns, gas stations, laundry mats, and so on during this same time flooded the market with new supply. In Pennsylvania alone, we believe there are upwards of 100,000 of these machines operating across the Commonwealth, which is more than four times the amount of slot machines in all the state’s 17 casinos. While we have yet to see this level of infiltration yet in Maryland, we can confirm that these types of skill games have been found in Cecil County, and we welcome coordination with this Committee, our regulator, and law enforcement to eliminate these machines as soon as possible.

The pandemic and proliferation of skill games – which occurred at approximately the same time iGaming and iLottery were legalized in Pennsylvania – make it incredibly difficult to offer an objective analysis on the effects of the legalization of iGaming and iLottery on the traditional brick-and-mortar business.

Meanwhile, the benefits of brick-and-mortar regulated gaming in Maryland are proven – tens of thousands of jobs and billions in capital investment and tax revenue. As the legislature considers the legalization of iGaming, we urge this Committee and your fellow lawmakers to ensure that legislation includes a requirement that all online licenses are tethered to the brick-and-mortar casinos. You must consider the potential negative effects of untethered licenses on the thousands of existing jobs, past and future capital investment in and around the properties, and associated local benefits provided by state’s existing casino industry.

Thank you.