



February 6, 2025

Honorable Vanessa E. Atterbeary, Chair
Ways and Means Committee
131 Taylor House Office Building
6 Bladen St., Annapolis, MD 21401

Re: **Testimony in Opposition to HB17 (iGaming)**

Dear Chair Atterbeary:

We write to provide testimony against HB17, which could put a full casino on the smartphone of every adult Marylander (and inadvertently even some minors), and respectfully ask the Ways and Means Committee to **oppose** the bill. Since last year's Committee action on iGaming, substantial amounts of new data and studies have been released documenting the many harms of online gambling. This new information warrants a relook by the Committee on this issue. For example, just last month at a forum held by the Harvard School of Public Health, leading problem gambling and public health experts have found that iGaming is "*extremely harmful*" and "*can be 10 times more harmful than other forms of gambling*."¹

The push for iGaming is based on two faulty premises. First, proponents claims that iGaming will stop illegal online gambling in states. However, studies and common sense debunk this myth. ***Legalizing iGaming does nothing to shrink the illegal market***, as highly regulated and highly taxed operators cannot compete with illegal operators free from such burdens.² Moreover, ***enforcement – not legalization – is the answer to the illegal market***. iGaming is illegal right now under Maryland law. We urge the legislature to focus on enhancing enforcement tools rather than perpetuating the harms of online gambling.

Second, proponents claim that iGaming will yield substantial new tax revenue for the state. Again, this claim is illusory. As detailed herein, ***a comprehensive financial analysis shows that any net incremental revenue for Maryland from iGaming would be minimal – and the State would be in the negative if social costs are considered***.

¹ *Deseret News*, "Online gambling: the stakes for public health" (Jan. 24, 2025); [Online gambling: The stakes for public health | Harvard T.H. Chan School of Public Health](#)

² *The Washington Post*, "Legal sports betting was supposed to end the black market. It didn't," (Sept. 12, 2024); see <https://cdn.sanity.io/files/42ezp3kj/production/3c51bcc5f56e9f4e49be0d36910c0db943805877.pdf>



As has been well-documented over the past few decades, licensed, in-person gaming conducted at highly regulated, brick and mortar casinos and establishments is vital to communities throughout Maryland and across the country. In-person casino gaming supports over 27,000 jobs in Maryland, is an important source of business for Maryland small businesses, including MBE/WBE suppliers and contractors, provides essential funding for local governments and community organizations, and generates nearly \$1 Billion in direct gaming tax revenue for the State each year.

The National Association Against iGaming (NAAiG) was born out of a growing concern over the harmful societal and public health impacts of online gambling and the threats iGaming poses to the in-person gaming industry and the many team members and communities it supports. NAAiG welcomes casinos and in-person gaming operators, employee organizations, host communities, community and non-profit organizations, advocacy groups, and more. Our members include Maryland casinos.

We educate and advocate about the community benefits of in-person gaming, the destructive harms of online gambling, and the financial reality that, contrary to the overblown promises of those seeking to profit from iGaming, it will provide little to no material net tax revenue for states. The harms of online gambling are both financial and personal, including:

- **Significant job losses** for workers at brick-and-mortar casinos. More than 2,000 casino jobs in Pennsylvania disappeared after iGaming launched. Casinos offer good paying, accessible jobs that are often held by union workers. Strong union opposition to iGaming has led to its rejection in New York and other states;
- **Dramatic increases in problem gambling.** The National Council on Problem Gambling has found that online gamblers are 8x more likely to report problem gambling behavior. Calls to problem gambling helplines have exploded in the major iGaming states of New Jersey (277% increase) and Michigan (267% increase);³
- **Substantial cannibalization** of brick-and-mortar casino revenues as State policy encourages thousands of patrons each day to stay home and not visit their properties.⁴ This undermines one of the State's largest employers, destroys the incentive to reinvest in

³ *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)

⁴ 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)



and expand brick and mortar facilities, and sends damaging ripple effects throughout local economies and communities; and

- ***Increased financial constraints on low and middle-income households.*** Studies have shown that online gambling is leading to increased bankruptcy rates, debt collection, credit card debt, car loan delinquencies, loss of credit, loss of savings, and more;⁵
- ***Increased underage gambling and addiction among young people.*** iGaming affords tech savvy minors greater access to gambling with 11% of adolescents worldwide having gambled online.⁶ To that end, a recent report revealed that 34% of minors in Buenos Aires, Argentina, had gambled online despite adult verification checks. College students and young people, especially boys and men, are particularly vulnerable to online gambling addiction.⁷

International evidence highlights the significant harms associated with online gambling, underscoring the likelihood of worsening challenges in the United States. Governments in countries such as the United Kingdom, Canada, the Netherlands, Brazil, and Japan are grappling with substantial public health crises and the far-reaching social consequences of online gambling

Proponents of iGaming suggest that states like Maryland should accept these risks and harms in pursuit of substantial new tax revenues. However, the reality is that states may find themselves, much like iGaming customers, chasing losses rather than realizing meaningful financial gains.

A thorough analysis will reveal that iGaming will not generate significant net new tax revenue for Maryland. After accounting for cannibalized casino gaming tax revenue, reduced non-gaming tax revenue due to job losses and decreased economic activity, and the added costs of addressing iGaming's social harms—such as increased addiction, problem gambling, health care expenses, and crime—any remaining tax revenue is far outweighed by the associated harm.

⁵ See *Gambling Away Stability: Sports Betting's Impact on Vulnerable Households*, Scott R. Baker, Justin Balthrop, Mark Johnson, Jason Krotter, Kevin Pisciotto (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 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).

⁶ 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).

⁷ *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024); *How gambling affects the brain and who is most vulnerable to addiction*, Emily Sohn (July 2023).



Based on all of the foregoing, NAAiG respectfully urges the Ways and Means Committee to give **no favorable report** to HB17. iGaming claimed financial gains are negligible at best, and the growing evidence of its significant financial, social, and public health harms makes it clear that this legislation is not in Maryland's best interest. Sound public policy demands prioritizing the well-being of our communities over the false promise of revenues.

Thank you and the Committee for your consideration of our testimony.

Respectfully submitted,

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