

## Testimony Before the Maryland House of Delegates Ways & Means Committee in support of House Bill 17 February 10, 2025

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Chair Atterbeary and members of the committee,

My name is Michelle MacGregor and I am here today testifying on behalf of the Sports Betting Alliance, a trade association for online gaming operators that includes BetMGM, DraftKings, Fantatics, and FanDuel. I am here today to underscore our support of HB 17, which proposes a regulated framework for suitable platforms to offer safe, regulated online internet gaming for Maryland adults to enjoy as a source of entertainment.

It has become increasingly evident that unregulated, predatory internet gaming platforms are growing at an outstanding rate here in Maryland. <sup>1</sup> Recent studies have estimated that Maryland consumers are wagering \$7 billion annually on these sites. <sup>2</sup> Age verification measures and player protections on these sites are either wholly absent or grossly inadequate, not to mention they generate no taxable revenue or jobs for Maryland. Yet, consumers flock to them as the only available option, often unaware that they are not authorized by the state.

Who can blame consumers for this misconception – unregulated companies are flooding radio airwaves and podcast channels; and it only takes a quick search on google or in a phone's app store to produce a host of very professional looking platforms, featuring celebrities like Paris Hilton and Ryan Seacrest, encouraging individuals of all ages to deposit real money and play online casino games.

HB 17 presents a much better alternative for the state:

- (1) It establishes regulatory oversight and licensing for suitable entities to offer the games consumers enjoy playing,
- (2) Empower minority businesses to grow in an innovative tech vertical,
- (3) Expands job creation through live-dealer studios and is forecasted to boost existing revenue from land based casinos<sup>3</sup>,
- (4) And is projected to generate upwards of half a billion in dollars annually in new tax revenue for the state.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> "The 'sweepstakes' games that look a lot like online gambling," Washington Post, November 2024.

<sup>&</sup>lt;sup>2</sup> "Sizing the Illegal and Unregulated Gaming Markets in the U.S.," American Gaming Association, November 2022.

<sup>&</sup>lt;sup>3</sup> "The Potential Economic Impact of Legalizing iGaming on Casino Revenues in Five States," Analysis Group, March 2024.

<sup>&</sup>lt;sup>4</sup> Ibid.



These benefits have materialized in profound ways in neighboring states like New Jersey and Pennsylvania, among others around the nation. Dave Rebuck, now retired but former New Jersey State Gaming Regulator and Deputy Attorney General was in Annapolis two weeks ago espousing the virtues of iGaming, particularly that legalized iGaming has demonstrated itself to be complementary to existing forms of gaming, critical to sustaining the growth of land-based casinos, and has generated significant tax revenue for New Jersey's most vulnerable residents: persons with disabilities and senior citizens. Importantly, the legal iGaming industry has also spurred states like New Jersey to enforce their laws against illegal operators like those that are operating in Maryland today.

In closing, I want to thank Chair Atterbeary for her leadership addressing the threat of unregulated gaming while pursuing an opportunity for Maryland's workforce and consumers to engage in safe, sustainable internet gaming.

I look forward to taking your questions.