

SB623_Zucker_FAV.pdf

Uploaded by: Senator Craig Zucker

Position: FAV

CRAIG J. ZUCKER
Legislative District 14
Montgomery County

Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 623 – Electronic Instant Bingo Machine – Maximum Number of Machine
Senate Budget and Taxation Committee
March 8, 2023
1:00 PM
Position: Favorable

Good afternoon, Chairman Guzzone, Vice Chair Rosapepe, and distinguished members of the committee. It is my pleasure to testify today in support of **Senate Bill 623 – Electronic Instant Bingo Machine – Maximum Number of Machine.**

Senate Bill 623 increases the maximum number of electronic instant bingo machines that a licensed entity has under a commercial bingo license may operate as follows:

- 100 electronic machines if the entity operated 85 or 87 electronic machines on February 28, 2008;
- 150 electronic machines if the entity operated 100 or 103 electronic machines on February 28, 2008;
- 250 electronic machines if the entity operated 200 electronic machines on February 28, 2008; and
- 295 electronic machines if the entity operated 278 electronic machines on February 28, 2008.

This bill authorizes an additional 192 machines – 147 in Anne Arundel County and 45 in Calvert County. The Department of Legislative Services estimates that the local revenue in Anne Arundel County will generate around \$977,500 annually, and \$269,300 in Calvert County from additional Admissions and Amusement (A&A) Taxes.

For these reasons, I urge a favorable report for Senate Bill 623. Thank you for your kind consideration.

SB 623_UNF_Casino Testimony.pdf

Uploaded by: Kerry Watson

Position: UNF



To: Senate Budget and Taxation Committee

Date: March 8, 2023

Re: Testimony in Opposition to SB 623 (Gaming - Electronic Instant Bingo Machines – Maximum Number of Machines)

Maryland’s six casinos oppose SB 623, which would increase the availability of "slots-like" machines in Maryland.

Maryland's casinos drive significant State revenues and other benefits to the State’s economy.

- Maryland has the 19th largest population in the country but generates the 4th highest gaming tax revenues.
- Maryland's six commercial casinos created 15,000+ (pre-pandemic) direct jobs, generate \$3.0 billion in economic impact; and create \$962.2 million in tax impacts.¹
- Maryland's 41% Blended Tax Rate is the second highest tax rate in the country.
- Maryland has one of the highest gaming tax revenues as a percentage of corporate income tax collected in the country, at 52%. In other words, the 6 casinos in Maryland pay over half as much tax annually as **the thousands of other corporations doing business in the state each year.** (\$832 million Gaming Tax v \$1.6 billion corporate income tax.²)
- Maryland casinos spent over \$3 billion in initial construction.
- **Maryland casinos have provided \$4.9 billion to the Maryland Education Trust Fund and \$6.5 billion in overall taxes since the program began.**

Increasing the availability of slots-like machines will negatively impact State gaming revenues to fund public K-12 education and other important programs.

- Games like instant ticket lottery machines (ITLM), electronic tip jars, "skill-based" games, and instant bingo machines generally mirror slot machine play and therefore compete with slot machine play and casinos generally.
- Maryland has greatly benefitted from its casino gaming program, which, in FY2022 alone, provided the Education Trust Fund \$611 million of the total of \$932 million in total Blueprint revenues in that year.³
- In FY2022, Maryland's gaming revenue also provided:
 - \$106m in local aid
 - \$91m to Maryland's horse racing industry
 - \$19m to the Maryland's Small, Minority and Women-owned Business Fund
 - \$4.5m to the Responsible Gaming Fund

¹ Source: American Gaming Association

² Source: January, 2023 DLS Fiscal Briefing

³ Source: FY2024 Budget Highlights, App. Q.

- The Blueprint, which will increase education funding by an average of \$3.8b/year, will require the Maryland General Assembly to identify funding sources to fully fund the plan every year. The Department of Legislative Services projects that the Blueprint Fund will have a negative fund balance beginning in FY2027.
- The partnership between Maryland and its VLT licensees is one of the most successful partnerships to fund public education in the nation. It is critical that the Maryland General Assembly protect the funding streams so important to State programs.
- By increasing the availability of slot machine-like machines that compete with slot machines, these bills are contrary to the State's interest in maximizing casino tax revenue to fund public education and the other programs funded by casino taxes.

These bills undercut responsible gaming initiatives and lack essential regulatory oversight to protect the public.

- Maryland's Voluntary Exclusion Program (VEP) is a core component of the State's responsible gaming efforts, and helps to ensure that at-risk people are protected.
- The state created the VEP in 2011 to assist people who have a gambling problem and choose to exclude themselves from Maryland casinos, lottery, and/or certain bingo halls in Anne Arundel and Calvert Counties.
- The Maryland Lottery and Gaming Control Agency staffs each casino in Maryland at all times that the casino floor is open to enroll people into the VEP.
- Maryland's casinos are responsible for ensuring that individuals who are on the VEP list do not have access to gaming on their properties.
- As a result of these requirements and other regulation by the MLGCA, Maryland's casinos are arguably the most regulated businesses in Maryland.
- The proposed bills do not include responsible gaming protections for slot-like games.
- Without proven responsible gaming measures in place, excluded patrons can simply avoid Maryland's casinos and frequent understaffed bingo halls, fraternal organizations, and bars and restaurants who might have access to these machines.
- The operators of these slots-like machines are also not subject to regulatory oversight and control to protect the public that is exercised by the MLGCA over casinos.

As the State's partners in funding the Blueprint for Maryland's Future and in ensuring that effective responsible gaming measures are in place, we respectfully request the Budget and Taxation Committee to give an unfavorable report to SB623.

SB623 Unfav testimony Mayor Mahoney.pdf

Uploaded by: Patrick Mahoney

Position: UNF



Dear Honorable Senators,

SB623 – Unfavorable Report

I am Chesapeake Beach Mayor Pat Mahoney testifying on behalf of the residents and Town Council of Chesapeake Beach, Maryland to express our opposition to Senate Bill 623: Gaming-Electronic Instant Bingo Machines-Maximum Number of Machines.

Currently, the three commercial “bingo slots parlors” in Chesapeake Beach are operating with 450 machines with one of these businesses also being awarded a brick and mortar Sports Gambling license.

The impacts of Gambling activities pose a significant burden on the Town citizens prompting a **2020 ballot question** where Town voters responded overwhelmingly, with close to **80% voting against expanded gambling activities in Town**. In response, the Town Council adopted Ordinance #0-21-1 prohibiting expanded gambling.

To be clear, these three establishments in town are not “mom and pop shops” struggling to stay afloat. They are very successful multi-level slots parlors.

I appreciate any and, all efforts by your body to support the “will of the citizens” and prevent the further expansion of electronic bingo machines in the Town of Chesapeake Beach.

For these reasons we oppose SB623 and encourage you to give it an Unfavorable Report.

Sincerely,


Patrick J. Mahoney

Mayor, Chesapeake Beach

SB623 LOI - MLGCA.pdf

Uploaded by: Sean Ford

Position: INFO



March 8, 2023

Budget and Taxation Committee
3 West, Senate Office Building
Annapolis, MD 21401

Re: Letter of Information – Senate Bill 623 - Gaming – Electronic Instant Bingo Machines – Maximum Number of Machines

Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee:

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) submits this letter of information to the Budget and Taxation (“Committee”), as background information regarding Senate Bill 623 – Gaming – Electronic Instant Bingo Machines – Maximum Number of Machines.

As the bill is currently drafted, it raises the number of Electronic Instant Bingo Machines (“Machines”) allowed under state law, and could result in the need for more Agency staff and potentially affect state revenues generated from Casinos. Raising the cap on machines may require MLGCA to hire more staff to keep up with the increase in the number of machines operating in Anne Arundel and Calvert Counties, as the total number currently authorized under state law is capped and allows our Agency to more easily budget when it comes to regulatory and compliance matters by our current staff. In addition, state revenues from Casinos could be affected with an increase in machines across the state, potentially resulting in increased competition for Maryland’s six Casinos.

Thank you for your consideration of this information. If you should have any questions or need more information about this subject, please do not hesitate to contact Sean Ford, MLGCA’s Director of Legislation and Policy Development, at 410-230-8988 or sean.ford@maryland.gov.

Sincerely,

John A. Martin
Director

cc: All Committee Members
Senator Zucker