

Testimony Against
HB 1319—Internet Gaming – Authorization and Implementation
The Maryland State Taxation and Budget Committee

For Hearing held on Tuesday, March 26, 2024

Submitted by

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My name is Tracy Lingo, I am the president of UNITE HERE Local 7. UNITE HERE is the largest Union of Casino workers in the United States. Our Union also represents hotel, food service, stadium and airport hospitality workers nationally and in Maryland.

The Gaming industry has expanded significantly over the last few decades. This expansion in States like Maryland, when done right, can fund important State and local initiatives, spur economic development beyond the Casinos and provide family sustaining jobs which further advances our economy.

iGaming is being touted as a quick fix to Maryland's budget. On behalf of thousands of Maryland's Casino workers and their local communities I ask that you look beyond this simplistic promise. iGaming if legalized in Maryland would in fact completely undermine the great progress that has and is being made in the areas of local development and job creation. It would also accelerate the most negative aspect of legalized gambling, which is problem gambling addiction.

In hearings held in this committee and also in the House Ways and Means Committee legislators have heard stories from workers that made them, as architects of public policy, feel good. Stories about how your work to develop Casino Gaming in our state has resulted in people getting jobs and thriving. Workers being paid decent wages that have allowed them to purchase homes, work just one job and spend more time with their families.

All of us want Maryland to be a great place to live and work—a state with a strong economy that allows workers to stand on their own feet and to support themselves and their families.

iGaming will hurt, not help us in reaching this goal.

UNITE HERE and other casino workers unions in Maryland are in opposition to all legislation that would lead to the legalization of iGaming in Maryland. I have included in my written testimony, petitions signed by union and non-union Maryland Casino workers who ask that you please halt all consideration of legalizing iGaming in Maryland.

First and foremost, the impact on the brick-and-mortar Casinos will be dramatic. The Innovation Report that was commissioned by the Maryland Gaming and Lottery Control Agency states clearly that we can expect a 10.2% loss of brick-and-mortar gaming revenue.

Maryland's six brick-and-mortar casinos directly employ 6,678 people as of January. According to the American Gaming Association, Maryland's gaming industry creates \$5.78 billion in economic impact and supports 27,380 jobs. The Sage Policy Group projected that legalizing iGaming could eliminate 685 direct jobs with \$33.6 million in lost annual income and a total loss of approximately 1,215 jobs with over \$65 million in lost annual income through direct and secondary effects. iGaming will not only inhibit future Maryland casino job growth, but will also lead to a loss of jobs, Union jobs.

Maryland's brick-and-mortar casino have fostered economic development connected to or adjacent to the Casinos. Ocean Downs Casino has plans on hold to construct a hotel by its casino. The Warner Street corridor next to the Horseshoe Baltimore Casino has begun developing an entertainment district which includes plans to build a hotel. The MGM Casino is a major engine for the development taking place at National Harbor in Prince George's County. iGaming will reduce the foot traffic in the Casinos and have a negative impact on all of these development plans. Why would a casino invest additional capital to improve or expand its casino/entertainment/hotel footprint if it can make money with much less investment in iGaming?

Problem Gaming. All indicators point to an exponential increase in problem gaming if Maryland enacts iGaming. The National Problem Gaming Council's 2021 Survey on Gambling Attributes found that online gamblers were as much as 8x more likely to report compulsive gambling problems and addictive behavior. More than 36% of iGaming players in PA experience problem gambling according to a 2022 report conducted for the PA Department of Drug & Alcohol Programs. The national director of Stop Predatory Gambling & Campaign for Gambling-Free Kids recently stated that:

“Online gambling is like gambling fentanyl, it’s like the most extreme form of all. It’s opening a casino right in your bedroom so you can sit there in your pajamas and lose everything.”

Finally, we all need to be concerned that iGaming will have a negative impact on local jurisdictions. This includes not only a reduction of sales tax and alcohol tax but also less local impact money to the local jurisdictions. This local impact money which is generated from the Casinos is controlled by the local jurisdictions. It is used for a variety of projects including paying for residents’ community college tuition, paying for public employees’ pensions, and funding environmental sustainability, infrastructure, head start, summer youth and job training programs.

There is a reason why over 40 states, including Nevada, have not enacted iGaming – and why 6 states have recently rejected iGaming legislation. It is clear that iGaming is a job killer and an accelerant to problem gambling that will suppress local development and rob community programs of funds that they currently receive from the local impact money.

Please put Maryland’s working families and communities first. Reject all legislation that could advance iGaming in our state this includes a state wide referendum.

We ask for an unfavorable reading on HB 1319.