



Senate Budget & Taxation Committee Hearing | February 28, 2024
Informational Testimony of Light & Wonder
Re Senate Bill 603 (Internet Gaming- Authorization & Implementation)

On behalf of Light & Wonder, a leading global gaming content and technology company, thank you for the opportunity to provide written testimony regarding Senate Bill 603 and to present information relevant to the Maryland Senate’s review of the authorization and implementation of Internet Gaming. Light & Wonder (formerly Scientific Games) is a leading provider of gaming technology and content. We provide slot machines, table games and casino systems to every casino in Maryland. We are a provider of iGaming content and technology in all six states currently offering online casino gaming, and in more than 50 countries and jurisdictions around the globe.

In this testimony, we present for Maryland’s review information specifically focused on what a “Live Dealer” offering encompasses and strong suitability standards for licensees but first some introductory information on what iGaming is, why it should be authorized and the financial opportunity for the state of Maryland.

Background on US iGaming: iGaming is defined as the offering of virtual casino style games including slots and table games, including “live dealer” games, such as blackjack and roulette made available via digital platforms through players own devices.

Currently, six states, New Jersey, Michigan, Pennsylvania, Delaware, West Virginia, and Connecticut, are offering iGaming casino games with a seventh, Rhode Island, going live this year. Nevada offers poker only online.

The gross gaming and tax revenue as generated over the past twelve months in the six U.S states where it is legal is illustrated in the chart below. These figures are revenue numbers reported from state gaming agencies and do not consider any direct or indirect potential fiscal impacts from iGaming on brick-and- mortar casinos or the state’s broader economic interests.

iGaming Revenue Review

	Dec. iGaming Revenue (\$m)	TTM iGaming Revenue (\$m)	TTM Rev./Adult (\$)	TTM Tax Revenue (\$m)
NJ	180.3	1,924	277	337
DE	1.2	14.1	18	9
PA	165.1	1,742	171	747
WV	15.9	157	110	24
MI	181.4	1,924	245	487
CT	44.2	406	143	60
Total	\$588.1m	\$6.167bn	\$161 (avg.)	\$1.664bn

Source: Vixio Gambling Compliance

Issues for Maryland to Consider:

1. “Tethering” of online gaming licenses to Maryland’s Land Based Casinos

Maryland’s brick and mortar casinos are a strong economic engine for the state, supporting over 25,000 jobs and generating over \$3.5 billion in gaming taxes since inception of casino gaming. The concept of “tethering” – linking an online casino license to a brick-and-mortar casino license- is one tool that jurisdictions utilize to ensure the economic

strength of this sector. Typically, an online casino license will include multiple “skins” – enabling additional market access to additional participants under the brick-and-mortar casino license to maximize the states benefit by facilitating a link between the physical casinos and iGaming operations. The present seven states which have authorized iGaming all have some form of tethering.

2. “Live Dealer” Studios

“Live dealer” or live casino is a growing segment within the broader iGaming market.

Whereas other forms of iGaming offered by online casinos are entirely digital, live casino extends the experience of visiting a land-based casino by enabling players to wager on blackjack, roulette, and other popular casino games where the outcomes are determined by real dice and cards and by the actions of a human dealer operating within a secure studio facility. Players can bet through their devices and then watch the outcome of the games via a real-time video feed streamed to their device. Live casino players are also able to interact with the dealer and their fellow players through chat functionality within the casino game similar to how they would be able to if seated at a gaming table in a traditional land-based casino.



Established as part of the iGaming industry in international markets for over a decade live casino has only gained traction in the U.S. within the past five years following an initial launch in New Jersey in 2016.

Regulated live casino games are offered today in five of the six states with legal iGaming.

Live casino currently accounts for approximately 15-20 percent of iGaming revenue in key US markets and is anticipated to grow to 25 percent or more in the future as the segment matures. In Ontario, for example, live casino accounted for 32 percent of total bets on iGaming platforms in the 12-month period from April 2022 to April 2023.

Each dedicated live casino studio can be expected to directly employ in the region of 100 to 280 workers in various roles including dealers and on-air presenters to technical support and security personnel. Based on population and anticipated market size, Maryland could expect three live dealer studios being located in the state, with several hundred jobs and several million dollars investment in the studios.

Like other forms of iGaming, live casino is subject to stringent regulations to ensure the fairness of games, protect consumers, and ensure the suitability of participants. Rules related to live casino reflect both the regulations that apply to iGaming in general as well as those that apply to traditional land-based casino games such as blackjack and roulette.

3. Preventing State Licensed Entities from Participating in Illegal Markets and “Terror State” Online Gambling

The legal gaming industry is among the most highly regulated industries in the United States. Legal gaming operators and suppliers comply with a broad series of laws and regulations designed to ensure consumer protections and confidence in the gaming market.

The iGaming market is relatively new in the United States. It is critical to ensure the integrity of the iGaming market as the US market evolves. Participation in illegal online gaming markets and “terror states” exposes consumers to risk and undermines the economic and tax contributions of the legal gaming industry. The United Kingdom, which has long term experience in online gaming, recently required a major digital gaming entity to exit such markets in order to continue doing business in the UK. Several U.S. states, including New York, Illinois, Iowa and New Hampshire have introduced legislation to establish clear cut provisions to prevent companies which do business in terror states and illegal markets from being licensed. See, for example, Senate Bill 8185, introduced in New York in January 2024. These provisions prohibit state licensing of entities which conduct online gambling in countries listed on the “Blacklist of Money Laundering Countries” as established by the Financial Action Task Force, in jurisdictions designated as a State Sponsor of Terrorism by the United States, so called “terror states” which includes Iran, Syria and Sudan, and in countries which online casino gaming is prohibited such as Turkey, China and Singapore.

Without strong anti-illegal gaming provisions, states may inadvertently enable companies in the business of money laundering, terrorist financing and tax evasion. Maryland should consider robust anti-illegal gaming provisions if it adopts online casino gaming.

Thank you for the opportunity to submit this information and please do not hesitate to contact me if the committee has any questions.

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