



Senator Guy Guzzone, Chairman  
Budget and Taxation Committee  
3 West Miller Office Building  
Annapolis, MD 21401

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Chairman Guzzone -

I appreciate the opportunity to share The Campaign for Fairer Gambling's concerns for HB 1319. The Campaign aims to advance a politically bipartisan and scientifically evidence-based practice to enhance consumer protections across the gambling sector. We strive to raise awareness of gambling related harm ultimately doing all that we can to prevent and reduce it. According to the National Council on Problem Gambling there are an estimated 9 million Americans that are struggling with problem gambling nationwide (the annual social costs of problem gambling totaling \$14 billion). Of that, there are an estimated 191,015 (4% of the adult population) that are Maryland adults. That is two times greater than the national average. A 2022 Maryland prevalence study highlighted that the majority (65.7%) of disordered gamblers were aged between 35 and 64 years and disordered gambling was more prevalent in Blacks/African Americans (8.2%) compared to Whites (3.1%), Asians (2.9%) and Hispanics (0.2%). Additionally, the percentage of disordered gamblers who participated in sports betting was higher compared to other forms of gambling. Last year, the National Council on Problem Gambling Helpline received 6,045 calls, texts, and chats from Marylanders. Research highlights that anytime you introduce a new form of gambling within a jurisdiction, you will increase the number of problems. As will certainly happen with the introduction of I-Gambling.

Headlines continue to run rampant across the nation (almost weekly now) highlighting the ever-increasing number of calls for help, policymakers begging for more funds to address gambling related harm (Michigan and New York most recently) or highlighting predatory and worrisome practices being deployed by industry operators. These facts are troubling indeed. Policymakers must seriously consider the consequences of legalization and the impending social costs and harms that follow suit.

A recent NERA study examining the New Jersey I-gambling market (often regarded as the 'gold standard' for gambling) found that while I-gambling taxes contributed nearly \$385 million to the state, this was significantly dampened by the astounding \$350 million in social costs the state also incurs from I-gambling related harm. Those social costs are mainly being driven by 6% of the population (survey conducted by Rutgers University) that has been found to be struggling with a gambling disorder. This is three times the national average. These social costs are emerging in the form of welfare payments, homelessness, and criminal justice.

While we applaud the subcommittee for increasing responsible gambling considerations and requirements within the bill, more still should be done and considered. When Maryland legalized sports betting just last year, the legislature failed to increase the funding desperately needed to address the increased harm. Any further legalization should account for this deficit and attribute more than the proposed 1%. Additionally, this proposed legislation allows for some deductions of promotional free play/bonus offers. This is a dangerous precedent. Deductions of any kind drive more advertising into the state that have led to players engaging in play that they otherwise can't afford. Promotional deductions also negatively impact problem gambling funding, as when funding is tied to revenue (in this case), revenue is less for the state when promotional deductions are allowed. This was felt firsthand in Virginia.

International jurisdictions that have had I-gambling for some time are becoming ever more aggressive in their pursuits to limit these products. Just recently the UK announced a stake limit of £2 for individuals under the age of 25 and £5 for everyone else. And they're not alone. Norway also has stake limits that equate to \$4. Juxtapose that to New Jersey, where you can go and play an online slot at \$75,000 max bet per spin. Is that something you'd want the people of Maryland to be able to do?

A lot of focus has been placed on bringing live dealer I-gambling to Maryland, under the pretense that it will be a job 'creator'. It's important to note that the product you consider offering (and at a reduced tax rate), according to leading recent research, carries the highest risk correlation (even compared to its RNG counterparts) for problem gambling. Seriously considering necessary guardrails to prevent as much harm as possible for these products will be paramount.

Additionally, a recent survey unveiled by the State of Connecticut highlighted that 70% of gambling revenue is being derived from 7% of the population. 1.8% of these individuals have a gambling problem and the remaining 4.9% are considered at-risk. The current business model for I-gambling, appears to have most revenues coming from the vulnerable few. A recent Wall Street Journal highlighted this well.

The intent of the legislation should be done with open eyes. This would be creating a new industry. The proof that the illegal market is captured and offset by legalization is simply not there. The catastrophic harm for some that will result from this legalization will not only be gravely felt by that individual. It will trickle into your communities and ultimately be felt by the entire state.

I appreciate your consideration and I'd be happy to answer all questions that you may have.

Warmest Regards,

Brianne Doura-Schawohl