

February 27, 2024

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB0565 – Expansion of Commercial Gaming – Internet Gaming Referendum
SB0603 – Internet Gaming – Authorization and Implementation

Dear Chairman Guzzone:

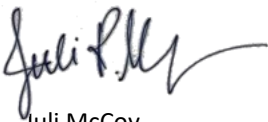
The Allegany County Chamber of Commerce respectfully requests the Senate Budget and Taxation Committee give consideration to **SB0565 – Expansion of Commercial Gaming – Internet Gaming Referendum** and **SB0603 – Internet Gaming – Authorization and Implementation**. Careful implementation of iGaming can bring significant economic benefits to Maryland, but certain considerations should be taken into account as legislation is developed.

- **Exclusive licensing for state casinos:** We strongly support that only existing state casinos should be eligible for licensing in the iGaming sector. Providing the ability for up to two competitive skins per location would ensure that the revenue generated from iGaming remains within Maryland, benefiting our local economy and preserving the existing investments made by the state casinos. This would ensure that the individual skins must be initially tethered to an existing casino and not have the option of launching independently. We propose a 5-year term for consideration, in conjunction with the initial license term.
- **Tax rate:** We propose a tax rate not to exceed 28% for iGaming in the state of Maryland. With dramatic differences in population density throughout the state, and available rooftops in the smaller casinos' geographic locations, a tax rate of 28% would ensure a reasonable return. In addition, iGaming operators hold on slots is only an expected 3 – 4% vs brick and mortar operations that generally hold 8 – 10%.
- **Installment payments for licensing fees:** To further facilitate the participation of smaller casinos, we suggest allowing the licensing fees to be paid in installments. This approach would alleviate the financial burden of a lump sum payment and promote more inclusivity within the industry. We recommend equal installments over the initial 5-year term of the license.

Rocky Gap Casino Resort has had a tremendous impact on Allegany County's economy. By balancing the iGaming market, we can continue to foster economic growth, support local businesses, and protect the interests of existing state casinos.

We urge you to consider these specific requests when reviewing SB0565 and SB0603, both of which would impact the casino industry in Maryland.

Sincerely,



Juli McCoy

President & CEO

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cc: Honorable Jim Rosapepe, Vice Chair, Budget and Taxation Committee
Budget and Taxation Committee Members
Allegany County Delegation
Brian Kurtz, SVP | General Manager, Rocky Gap Casino Resort