



Rocky Gap Casino Resort, and Golf iGaming HB 1319

Dear Maryland House and Senate Leaders,

I hope this letter finds you well. I am writing on behalf of Rocky Gap Casino, Resort, and Golf to express our thanks and appreciation for the work Chair Atterbeary and the committee undertook to put forth the first iGaming Bill HB1319. While we support the concept and introduction of iGaming, we are in opposition of HB 1319 in its current proposed form and look forward to working with legislators for a more measured approach.

HB 1319 as written, in its current form, makes an iGaming operation commercially unreasonable to Rocky Gap or requires Rocky Gap to take actions that would have a material negative impact on Rocky Gap' gaming operation. We ask further consideration and amendments to the iGaming legislation.

1. **Exclusive Licensing for State Casinos:** We strongly support the idea that only the existing state casinos should be eligible for licensing in the iGaming sector. Providing the ability for up to three competitive skins per location. This approach 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 also ensure that the individual skins then 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.
2. **License fee for State Casinos:** To include up to three skins for the license fee of \$1m. We would ask that two of the skins be associated with those casinos already in the market with the third skin being specifically majority operated by a registered Maryland MBE/WMBE.
3. **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%.
4. **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 is committed to being a responsible and contributing member of the community, and we look forward to being a part of the development of iGaming in our state. In addition, we believe there are alternative and added considerations available to ensure inclusion, equity and diversity as it relates to iGaming and the State of Maryland. We hope you will consider our recommendations as you work on the forthcoming iGaming legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Kurtz", written over a light blue horizontal line.

Brian Kurtz
SVP | General Manager