

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



HB1319 Internet Gaming - Authorization and Implementation Budget and Taxation Committee March 26th, 2024

Position: Unfavorable

Background: HB1319 would legalize internet gaming in Maryland.

Comments: The Maryland Retailers Alliance (MRA) strongly opposes the implementation of internet gaming (iGaming) in Maryland due to the projected job losses and long-term stagnation of revenue that was reported to the General Assembly earlier this year.

Proponents of iGaming claim that online gambling would not have a negative impact on brick-and-mortar casinos in Maryland and that this policy would increase revenue for the State; the fiscal note for HB1319, however, predicts a cannibalization rate to casinos of at least 10% once iGaming is fully implemented. Fewer patrons at physical casinos means fewer jobs and decreased revenue in the surrounding communities. Maryland's casinos are located within twenty miles of eleven Maryland Main Street communities and eight Baltimore City Main Street neighborhoods. Ten more Main Streets are located along major highways between Maryland's more populous counties and tourist destination casinos located in Allegany and Wicomico Counties. Each community near a brick-and-mortar casino benefits directly from its proximity to the facility and would be negatively impacted by a downturn of the casino industry. Decreased patronage of casinos equals fewer tourism dollars spent at every local restaurant, hotel, and retailer operating around these entertainment epicenters.

We have not found data which projects dependably consistent revenue increases from iGaming. New Jersey has experienced not only stagnant revenue since the implementation of iGaming there but also overall negative effects to the State economy. iGaming would adversely affect brick-and-mortar casinos, reducing jobs and community funding through local impact grants, and negatively impacting the tourism economy that has grown since casinos began operating in Maryland. We would urge the body to seriously consider these concerns and vote unfavorably on HB1319.

Thank you for your consideration.