



February 26, 2024

Maryland Senate
Senator Guy Guzzone, Chair
Budget and Taxation Committee
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Opposition of SB 565 - Expansion of Commercial Gaming - Internet Gaming Referendum
Opposition of SB 603 - Internet Gaming - Authorization and Implementation

Chairperson Guzzone and Members of the Committee,

My name is Matt Libber, and I am the Legislative Committee Chair for the Maryland Tourism Coalition (MTC). I am writing to you today to express MTC's opposition to Senate Bill 565 and Senate Bill 603. The Maryland Tourism Coalition is a trade organization with members representing all areas of tourism in the State of Maryland. Our mission is to support businesses and organizations that cater to the tourism industry through education, networking, and advocacy. As such, MTC asks the committee to vote in against this bill.

MTC strongly opposes these two bills and the expansion into internet gaming in the State of Maryland. Expansion to internet gaming is a direct threat to the tourism industry in Maryland. Not only are the casinos in Maryland part of the tourism industry but the surrounding businesses to the casinos are mutually dependent on each other. Legalizing internet gaming will lead to a reduction in visitors to the brick-and-mortar casinos that exist in the State. The loss of visitors will have negative effects for the workforce of these casinos as well as the overall business of the surrounding entities that rely on casino visitors to shop and dine at their businesses and restaurants. States with iGaming have seen deterioration of their casinos resulting in decreased visitation, taxes, jobs and capital investment with less spend for local businesses and non-profits. Maryland casinos can expect a negative twenty three percent (-23%) economic impact from iGaming based on other states' experiences.

With bettors no longer having to go to physical casinos to place bets, casinos will have to reduce staff or cut shifts to account for the lower number of visitors. While casinos will still be making money the employees will be losing income and/or their jobs. During a hearing on Monday, Live Casino was asked how many employees it has to oversee its internet gaming in the Commonwealth of Pennsylvania. Live Casino started with one employee and currently has three employees to operate its entire internet gaming platform. Internet gaming will only benefit the casino owners and not the employees. In fact, the casinos will end up laying off employees as the revenues and on-site customers at the brick-and-mortar casinos continue to fall. Pennsylvania saw over 2,000 casino jobs disappear since the launch of iGaming. In NJ, nearly 16,000 jobs have been lost as a result of iGaming. All Maryland casino unions strongly oppose iGaming (UFCW, Unite Here and the Seafarers Entertainment and Allied Trade Union).



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Not only will the loss of jobs occur in the casinos themselves but also the surrounding business to the casinos. While Malls around the country have been closing up due to the effects of internet shopping like amazon, Arundel Mills is still going strong due to the foot traffic generated by Live Casino. A new development in Baltimore at the Warner Street Entertainment District is dependent on the Horseshoe Casino. Ocean Downs has stated that a new hotel on the property will not happen if internet gaming is legalized. These are all businesses that exist as a result of the number of visitors each year to the brick-and-mortar casinos. All of these businesses would be in jeopardy if those visitor numbers decreased as a result of internet gaming. Due to these lost opportunities, internet gaming would lead to over 10,000 lost direct/indirect/induced jobs annually and more than \$1.6B in lost economic output/year.

Lastly, the loss of spending at brick-and-mortar casinos would decrease the local area impact grants that are generated by those revenues. These grants are used for public safety and transportation projects in many areas. These are all critical elements to the overarching tourism industry. Reduction in these grants would put additional strain on local jurisdictions budget and a likely reduction in services that will affect tourism based businesses.

The Maryland Tourism Coalition is firmly opposed to the expansion of internet gaming in Maryland. While the projected revenues seem like the solution to fund the Blueprint for Education, it would be a long-term detriment to the Maryland Economy and would have many negative unintended consequences. For these reasons, the Maryland Tourism Coalition asks this committee for an unfavorable report for this legislation.

Respectfully submitted,

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Legislative Chair
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