



Rocky Gap Casino Resort, and Golf SB603 Testimony

Committee: Budget & Taxation

Bill: SB 603

Position: Favorable with amendments

Dear Chairman Guzzone & Members of The Committee,

I am writing on behalf of Rocky Gap Casino, Resort, and Golf to express our support with amendments for SB 603. We believe that the careful implementation of iGaming can bring significant economic and social benefits to our great state. However, we wish to present the following amendments that we believe should be considered as the legislation is presented.

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 two 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. **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%.
3. **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.
4. **To enhance the ability to retain and attract out of state gaming activity, Rocky Gap Casino, Report and Golf proposes the legislative body consider the following changes to COMAR:**
 - A. We propose an increase in the ability of Maryland casinos to use up to 25% - 30% free slot play of prior year gross gaming revenues, without tax implications. The current rate is 20% and restrictive. Existing competitors and new insertions such as Virginia have more flexibility to use free slot play as a marketing tool.
 - B. Incentive for out-of-state marketing dollars. This approach will allow in market Maryland casinos additional incentive to grow and go after out-of-state market share. This will enhance not only the casinos overall growth, but also increase overall travel and tourism in the state.

By implementing these considerations, Maryland can ensure a balanced and competitive iGaming market that fosters economic growth, supports local businesses, and protects the interests of existing state casinos. We believe that this approach will help Maryland harness the full potential of iGaming while maintaining regulatory integrity.

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. We urge a favorable with amendments report on SB 603. Thank you for considering our recommendations as you consider SB 603 legislation.

Brian Kurtz P-819

Sincerely,
Brian Kurtz

SVP | General Manager

<https://www.greenwillgroup.com/>

Ivan Lanier

Lesly Feliz

Jonathan Carpenter