

Testimony in opposition of HB1319

Brooks Newman

President, Allstate Floors

February 22, 2024

Subject: Testimony Opposing HB1319 - Negative Impact on Local Jobs in Maryland

Honorable Members of the Maryland House of Delegates,

My name is Brooks Newman, and I am the President of Allstate Floors, a commercial flooring and wall finish company based in Maryland. I am writing to express my strong opposition to House Bill HB1319, which seeks authorization and implementation for internet gaming in our state.

While I understand that some argue there are potential economic benefits associated with the expansion of online gaming, I am deeply concerned about the negative impact this legislation could have on local businesses and jobs, particularly for those who work in, and work for, brick-and-mortar entertainment gaming establishments. This represents thousands of jobs in the State of Maryland, including many in my company and community.

Our state's commercial flooring and wall finish industry, like many others, relies heavily on the support and patronage of local businesses. These establishments contribute significantly to our community's economic vitality by providing employment opportunities, fostering social interactions, and supporting various local suppliers, including my own company, Allstate Floors.

If internet gaming is authorized and implemented under HB1319, there is a considerable risk of reduced foot traffic to brick-and-mortar entertainment gaming establishments. This decline in physical visits to these establishments will lead to a decline in their revenue, subsequently resulting in economic reductions and job losses within our community. The ripple effect of such losses would extend beyond the gaming industry, affecting various businesses in the vicinity, including those in the commercial flooring and wall finish sector.

It is likely that these losses will not be supplemented by the perceived economic benefits of authorizing internet gaming. Researchers in New Jersey have found that internet gaming expansions in New Jersey have decreased the state's economic activity by approximately \$180 million, reducing jobs and wages for the residents of the state. Along with that, the researchers found that the public costs of addressing the impacts of this type of internet gaming expansion could be roughly equal to the state's takings from the expansion.

Moreover, these iGaming expansions will have broader social and economic consequences, impacting the overall fabric of our community. We have already seen this happen in jurisdictions where iGaming has been implemented. A report by Rutgers Center for Gambling Studies on iGaming in New Jersey has found that 31% of online gamblers surveyed had gambled during work hours and 25% reported gambling while at work 3 to 5 days per week. By authorizing this bill, you would be creating a disaster for all Maryland businesses who will have to deal with loss of productivity and employees with an on-demand, anytime, anywhere type of gaming experience.

By implementing iGaming, you would be shifting an in-person social entertainment experience to an at-your-fingertips, anytime, anywhere behavior that has already shown disastrous consequences. According to a study by the American Psychological Association, subjects who

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participated in iGaming gambling activities were 53% more likely to have problem or pathological gambling versus individuals who did not have an iGaming experience.

I urge you to consider the potential repercussions of HB1319 on local businesses and jobs in Maryland. It is clear that someone stands to benefit from iGaming expansion, and it is equally clear that that benefit is not to the State of Maryland, its people, or its businesses.

Thank you for your time and consideration. I respectfully request that you vote against HB1319 to protect the livelihoods of local businesses and the communities they serve.

Sincerely,

Brooks Newman

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