

**Testimony of The Cordish Companies and Live! Casino Hotel Maryland**

**Presented by Mark Stewart, General Counsel**

**In OPPOSITION to SB340**

**Budget and Taxation Committee Hearing**

**January 29, 2025**

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony in **opposition** to SB340 and the authorization of online casino gambling (“iGaming”) in Maryland. The Cordish Companies and Live! are Maryland-based and Maryland headquartered, family-owned companies, with a long history of economic, civic and community investment in the State. We oppose SB340 because iGaming will do nothing to help get the State out of its budget deficit, but threatens tremendous financial, economic and personal harm to Maryland and Marylanders.

SB340 is a reintroduction of last session’s iGaming bill, which this Committee wisely declined to report out. Many aspects about the bill remain the same:

1. **iGaming is a jobs killer** – Nearly 7,000 Marylanders will lose their good-paying jobs if iGaming is enacted according to a report by Sage Policy Group.<sup>1</sup> All casino unions oppose iGaming.
2. **iGaming causes substantial cannibalization** – iGaming will significantly cannibalize tax revenue generated by Maryland’s six brick and mortar casinos. According to Deutsche Bank, this fact “is and has been overwhelmingly obvious for some time.”<sup>2</sup> Sage Policy Group, Innovation Group and others all agree. The experience in other states shows that cannibalization could exceed 20%.
3. **iGaming destroys economic development** – The significant reduction in foot traffic at Maryland’s casinos will also result in substantial losses of related economic activity and reduced investment in Maryland. This means less sales tax, wage tax, alcohol tax and property tax revenues, as well as financial losses for Maryland small businesses, construction trades and non-profits. Assuming a conservative 10% cannibalization rate, Sage Policy Group projected the State will lose an additional \$74 Million annually in tax revenue.<sup>3</sup>

---

<sup>1</sup> Sage Policy Group, *The Economic Implications of iGaming Legalization in Maryland* (March 2024).

<sup>2</sup> Carlos Santarelli, Deutsche Bank Analyst, *CDC Gaming Reports*, “Gaming execs say they are optimistic about the future” (Nov. 18, 2024).

<sup>3</sup> *Supra* n. 1.

4. iGaming sends Marylanders' money out-of-state – iGaming does not promote tourism. Instead, iGaming relies almost exclusively on Marylanders for wagers. At the same time, the vast majority of operator revenue from iGaming will flow to technology platform providers outside of Maryland.
5. We still don't know – The State still has no data on the addiction, problem gambling and other social impacts of online sports betting. A prevalence study including online sports betting data has yet to be conducted by the University of Maryland Center for Excellence on Problem Gambling. Given the mounting evidence in the U.S. and worldwide of massive increases in addiction and social problems from online gambling, it should be fully studied by the Maryland Center with at least 3 years of data before iGaming is even considered.

### ***New Developments***

While these facts about iGaming remain constant, many new developments have transpired since last session's consideration of this bill. First, consistent with this Committee's action, the seven other states that considered iGaming bills last year all declined to enact legislation. That is to say, **iGaming went 0-8 in 2024 legislative sessions**. Additional new developments since the Committee's last consideration of iGaming include the following, all of which strongly warn against iGaming:

- The Lancet Public Health Commission, the World Health Organization and the National Institute of Health have all identified online gambling as a public health concern and have reported on its damaging consequences among young people and society at large. **Lancet Public Health Commission found that “with smartphones functioning as pocket casinos . . . 80 million adults globally are already problem gamblers”;**<sup>4</sup>
- Calls to problem gambling helplines continued to skyrocket in Pennsylvania (290%), New Jersey (277%) and Michigan (267%) since the launch of iGaming.<sup>5</sup> As Felicia Grondin, executive director of the Council on Compulsive Gambling of New Jersey, said about the spike in that state: **“A lot of [the 277% increase] has to do with easy accessibility for people to place wagers via their phone;”**<sup>6</sup>
- Numerous universities and academic institutions, such as Northwestern University, University of Kansas, BYU, UCLA, Southern Methodist University and more, have

---

<sup>4</sup> *The Guardian*, “The Guardian view on gambling: a public health approach is a good bet” (Oct. 29, 2024); Lancet Public Health Commission on gambling (October 24, 2024), [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(24\)00167-1/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(24)00167-1/fulltext).

<sup>5</sup> *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024); [www.abc12.com](http://www.abc12.com), “Revenue and addiction skyrocket in 5 years since law legalizing online gambling” (Nov. 19, 2024); see National Problem Gambling Council helpline call data (PA) 2019-2023.

<sup>6</sup> *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024)

issued reports detailing the negative financial impacts of online gambling.<sup>7</sup> These studies found that **iGaming’s negative impacts are especially harmful to low-income gamblers and vulnerable households and only serve to exacerbate the financial constraints faced by them;**

- Brazil’s Central Bank reported in September 2024 that **20% of welfare funds issued by the government were being spent on online gambling;**<sup>8</sup>
- A report from the United Kingdom found that nearly 1 in 5 online gamblers reported betting more than they could afford;<sup>9</sup>
- A flood of evidence was reported from various countries and sources on the rise of underage online gambling – **proving that so-called underage protections do not work for iGaming** – and the growing epidemic of online gambling among young adults –

- ☒ 11% of adolescents worldwide have gambled online as per the Lancet Health Commission;<sup>10</sup>

- ☒ 75% of college students surveyed by the Council on Compulsive Gambling of New Jersey reported their first exposure to gambling between ages 6-16;<sup>11</sup>

- ☒ **34% of minors** in Buenos Aires, Argentina have engaged in online gambling, **bypassing adult verification checks;**<sup>12</sup>

- ☒ Nearly 25% of all online gambling accounts in the Netherlands are held by 18-23 year olds; and<sup>13</sup>

- ☒ 54% of problem gambling helpline calls in New Jersey are from those under 34 years old (with 100% of calls from those under 25 being from men);<sup>14</sup>

---

<sup>7</sup> *Gambling Away Stability: Sports Betting’s Impact on Vulnerable Households*, Scott R. Baker, Justin Balthrop, Mark Johnson, Jason Krotter, Kevin Pisciotta (June 30, 2024); *Online Gambling Policy Effects on Tax Revenue and Irresponsible Gaming*, Wayne J. Taylor, Daniel M. McCarthy, Kenneth C. Wilbur (June 6, 2024); *How gambling affects the brain and who is most vulnerable to addiction*, Emily Sohn (July 2023); *The Financial Consequences of Legalized Sports Gambling*, Brett Hollenbeck, Poet Larsen, Daivde Proserpio (July 23, 2024).

<sup>8</sup> *iGaming Business*, “Brazil supreme court upholds ban on betting with benefits and ads targeting minors” (Nov. 15, 2024).

<sup>9</sup> UK Department for Culture, Media & Sport, “High Stakes: gambling reform for the digital age,” [High stakes: gambling reform for the digital age - GOV.UK](#)

<sup>10</sup> Lancet Public Health Commission on gambling (October 24, 2024), [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(24\)00167-1/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(24)00167-1/fulltext)

<sup>11</sup> [www.nj1015.com](http://www.nj1015.com), “Link between gaming and problem gambling among NJ youth” (Oct. 9, 2024).

<sup>12</sup> *SBCNEWS*, “Argentina orders immediate debate on federal ban of gambling advertising” (Nov. 21, 2024) <https://sbcnews.co.uk/southamerica/2024/11/21/argentina-debate-gamban/>

<sup>13</sup> *NEXT.io*, “Dutch MPs call for repeal of online gambling legislation” (Oct. 10, 2024) [Dutch MPs call for repeal of online gambling legislation](#)

<sup>14</sup> *Supra* n. 11.

- The United Kingdom has proposed a **£100 Million annual tax on its online gambling industry to help address online gambling addiction treatment and research**,<sup>15</sup>
- Legislation – entitled “Gambled and Lost” – has been introduced in the Dutch Parliament to **repeal iGaming and impose a complete ban** due to “severe unpleasant side effects leading to widespread social issues, including a sharp rise in gambling addiction and related mental health problems;”<sup>16</sup> and
- A chorus of news agencies has given voice to the growing recognition that online gambling has been a mistake for America, including The Washington Post, CBS News, The Atlantic, The New Republic, Bloomberg, The Wall Street Journal, The Boston Globe, 60 Minutes, The Baltimore Sun and more.

### ***iGaming is Not Worth It***

Why would Maryland flirt with iGaming in the face of these tremendous harms? The answer purportedly is to gain tax revenue. But, you cannot just look at top line revenue. The real point is what the net tax revenue is to the State from iGaming **after** deductions for cannibalization of brick and mortar gaming taxes, **after** deductions for lost hotel, restaurant and entertainment tax revenues from lost foot traffic, **after** lost tax revenues stemming from massive job losses caused by iGaming, **after** lost tax revenue from reductions in casino purchases from small businesses and suppliers, and **after** deductions for the major increases in social costs related to increased addiction, problem gambling, bankruptcies, welfare, health care costs, homelessness and criminal justice impacts. This comprehensive picture reveals that iGaming will not produce any material net tax revenue for the State.

Proof of concept already exists. The launch of online sports betting **cost** the State money; it did not add incremental net tax revenue. In 2023, even after considering the new tax revenue mobile sports betting generated, Maryland **lost** approximately \$75 Million in total gaming tax revenue because the loss of foot traffic in the State’s casinos drove down table game and VLT play and tax revenue. Based on data from last session, considering cannibalization of gaming taxes, lost taxes from reduced economic output, and anticipated social costs, **iGaming would**

---

<sup>15</sup> *Londonlovesbusiness*, “Will the Government go through with its £100m levy on gambling companies?” (Jan. 15, 2025) <https://londonlovesbusiness.com/will-the-government-go-through-with-its-100m-levy-on-gambling-companies/>

<sup>16</sup> *Supra* n. 13.

**need to generate more than \$500 Million in tax revenue for the State just to break even –**  
and projections are not even close to those levels.<sup>17</sup>

Importantly, it must be recognized that the Budget Reconciliation and Financing Act already targets Maryland’s casino industry for \$200 Million in new taxes, with increases in table game and sports betting taxes proposed. These proposals come despite the fact that Maryland’s casinos already generate tremendous tax revenue and other economic benefits for the State. According to the American Gaming Association, Maryland’s six casinos support 27,300 jobs. The State’s casinos have also generated over \$3.5 Billion in gaming taxes for Maryland since the inception of casino gaming and already pay the highest taxes per capita of any state in the nation. Beyond direct gaming taxes, our industry has produced economic benefits from capital investment in casino facilities, hotels, entertainment venues, restaurants and other ancillary development, construction spend, personnel wages and taxes, property taxes, sales taxes, liquor taxes, purchases of goods and services from Maryland vendors, local share support for important community projects, and philanthropy for non-profits. As per the American Gaming Association, these examples are all part of the \$5.78 Billion in annual economic impact attributable to Maryland’s six casinos.

In the face of the proposed \$200 Million in tax increases, the State should not inflict further harm on Maryland’s brick and mortar casinos through iGaming. Indeed, legalizing iGaming and increasing the table games tax as proposed would decimate Maryland’s casino workers, especially union workers. iGaming is a jobs killer – neighboring ***Pennsylvania saw 24% of its casino jobs disappear after the launch iGaming*** for casinos that were open in 2019 and 2023. Sage Policy Group projected that 2,700 direct casino workers in Maryland would lose their jobs from iGaming.<sup>18</sup> Approximately, 45% of Maryland’s casino workforce is tied to table games. Dealers and other table games positions are good paying, union jobs that are accessible to people with a high school diploma or less. An increase in the table games tax will lead to significant job losses on top of the devastating losses caused by iGaming to Maryland’s casino workers.

---

<sup>17</sup> See Sage Policy Group, *The Economic Implications of iGaming Legalization in Maryland* (March 2024); Sage Policy Group, *iGaming in Maryland* (January 2024); The Innovation Group, *iGaming in Maryland* (November 2023); and NERA Economic Consulting, *Economic Assessment of iGambling in New Jersey* (Nov. 2023).

<sup>18</sup> *Supra* n. 1.

## Conclusion

Despite some media buzz, only seven states have iGaming. 43 states have not authorized it. Online gambling is very different than in-person casino gaming. At Maryland's casinos, the Lottery's regulations and the casinos' procedures are geared to create breaks in the action and make patrons think twice before placing that next bet. Casino employees are trained to identify problem gambling and intervene. Patrons are not allowed to gamble while drunk or high. Security personnel stop underage individuals from gaining access to gaming.

iGaming lacks these protections and worse – it enables operators to use AI to target players instantaneously and in real time with bonus offers that keep them betting and chasing losses. iGaming provides 24/7, constant and immediate access to gambling on your phone, with non-stop gambling action. Players gamble in isolation. Underage and excluded persons can easily set up and access new accounts using other individuals' personal information. As just one example, in January 2025, the Pennsylvania Gaming Control Board *placed eight people on the state's Involuntary iGaming Exclusion List for creating and accessing 98 separate iGaming accounts using other people's personal identifying information.*<sup>19</sup>

With its devastating impacts on casino employees, their casino employers and reinvestment in brick and mortar casino properties, one gaming industry writer has concluded that **"iGaming is part of a vicious cycle of decline in [New Jersey]."**<sup>20</sup> Is that what we want for Maryland? We urge you not to gamble with Maryland's casino industry and its employees and to oppose SB340.

---

<sup>19</sup> [www.gamingcontrolboard.pa.gov/news-and-transparency](http://www.gamingcontrolboard.pa.gov/news-and-transparency)

<sup>20</sup> CDC Gaming, "iGaming is part of a vicious cycle of decline in Atlantic City" (Oct. 20, 2024).