

Testimony Before Maryland Senate – Budget and Taxation Committee
Senate Bill 340
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David Rebuck

Chair Guzzone and members of the Committee, thank you for having me here today. My name is David Rebuck. Before my retirement last year, I served 13 years as Director of the New Jersey Division of Gaming Enforcement (DGE). I was appointed Director in 2011 after 23 years as a Deputy Attorney General for the state. In October 2013 two years after my appointment, the state authorized and launched the nation's first competitive iGaming market.

Gaming in New Jersey is famously concentrated in the casinos of Atlantic City, as required by the state's constitution. In turn, gaming is the lifeblood of that city, drives its economy, and provides significant tax revenue to the State supporting services for its most vulnerable residents — persons with disabilities and senior citizens.

As with any form of advancement and progress, some in the state were wary of how a new technology such as iGaming would impact the status quo. There were fears that casino workers would lose jobs, and that the supporting industries around the casinos would suffer. I imagine that some in Maryland share similar fears.

Throughout my 13 years as the director of the DGE, a tenure that spanned before and after the introduction of iGaming, iGaming demonstrated itself to be complementary to existing forms of gaming and critical to sustaining the growth of land-based casinos. This same experience holds true across states that have implemented iGaming since that time, especially those states that have required online gaming operators to tether to an existing land-based casino or racino.

Multiple studies have shown that iGaming in fact boosts land-based casino growth rates by an average of 2% annually.¹ Related surveys found that the presence of iGaming boosts interest from a much wider and more diverse adult customer base than all forms of gaming including the land-based gaming options currently available.

New Jersey offers a tethered model of iGaming, in which all iGaming flows through the casinos in Atlantic City, as required by the constitution — like the framework proposed here in Maryland. This gives casinos the opportunity to cross-market their own gaming, food, and entertainment options to a broader group of potential customers, while simultaneously providing casinos with a business

¹ [*The Potential Economic Impact of Legalizing iGaming on Casino Revenues in Five States \(New York, Illinois, Louisiana, Maryland, and Virginia\)*](#), Mickey Ferri and Laura O'Laughlin, Analysis Group, March 18, 2024; [*Comparing Online And Land-Based Casino Gaming: How The Growing Online Segment Impacts Land-Based Performance*](#), Eilers & Krejcik Gaming, February 2024.

opportunity to partner with experienced nationwide online gaming operators who want to engage in the state.

In New Jersey, as in other states, iGaming both saved and then expanded jobs. Across all iGaming states, jobs supported by the land-based casino industry grew by an annual average of 9.4% from 2017-2022.² When comparing job growth in the iGaming states versus non-iGaming states as a control group, the iGaming states outperformed the non-iGaming states by 0.6% to 5.4% per year. In addition to boosting land-based casino jobs, New Jersey has seen an additional 1,800 new direct iGaming jobs added since it was legalized.

Among the multitude of benefits that iGaming brings to a state is its ability to combat the illegal market. Over the lifespan of my career as a regulator, the rise in the illegal market has been staggering. With this comes incredible risk to consumers, who are exposed to unsafe and unregulated platforms. Today, every state in our nation has illegal, unlicensed, unregulated and untaxed online gambling operations within its borders.

There is proof in concept to taking a multi-pronged approach to cracking down on the illegal market, with legalization being a critical component to any approach. It draws customers to highly regulated platforms while simultaneously giving the state additional tools to take action against illegal operators.

Having worked closely with many of the legal operators interested in offering iGaming in Maryland, I can attest to the work that goes into ensuring there are safety measures in place to ensure legal markets grow responsibly. Many of these operators are already regulated and trusted in Maryland to responsibly offer mobile sports betting. In addition, having worked very closely with the members of the Maryland Lottery & Gaming Control Agency prior to the commencement of online sports wagering here, I believe it is well positioned to effectively and efficiently regulate this new form of online gambling.

States that have implemented iGaming, including my own, have been able to realize meaningful revenue while responsibly offering online games, drawing business away from illegal operators, and boosting jobs and business to land-based casinos. I'm pleased that Maryland may soon see similar benefits, and I'm happy to provide whatever assistance may be helpful based on my experience and expertise as you undertake this effort. Thank you for your time.

² *The Potential Economic Impact of iGaming: Supplement for New York*, Mickey Ferri and Laura O'Laughlin, Analysis Group, April 2, 2024.