



January 27, 2025

Honorable Guy Guzzone, Chairman
Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen St., Annapolis, MD 21401

Re: **Testimony in Opposition to SB340 (iGaming)**

Dear Chairman Guzzone:

We write to provide testimony against SB340, which could put a full casino on the smartphone of every adult Marylander (and inadvertently even some minors) and respectfully ask the Budget and Taxation Committee to **oppose** the bill. As has been well-documented over the past few decades, licensed, in-person gaming conducted at highly regulated, brick and mortar casinos and establishments is vital to communities throughout Maryland and across the country. In-person casino gaming supports over 27,000 jobs in Maryland, is an important source of business for Maryland small businesses, including MBE/WBE suppliers and contractors, provides essential funding for local governments and community organizations, and generates nearly \$1 Billion in direct gaming tax revenue for the State each year.

There is nothing communal about “iGaming,” which puts slot machines and tables games on cell phones. iGaming creates little to no jobs. It requires no investment in Maryland and its economy. It offers no presence or community partnerships. No relationships are built, neither between patrons and casino team members nor between operators and their communities. iGaming promotes a solitary experience, with individuals gambling in isolation—whether in their bedrooms, bathrooms, or even cars—having constant and unrestricted access to gambling and nonstop action on their phones. Moreover, most of the proceeds from this destructive scenario would be exported out of Maryland for the benefit of gambling platform providers.

The National Association Against iGaming (NAAiG) was born out of a growing concern over the harmful societal and public health impacts of online gambling and the threats iGaming poses to the in-person gaming industry and the many team members and communities it supports. NAAiG welcomes casinos and in-person gaming operators, employee organizations, host communities, community and non-profit organizations, advocacy groups, and more. Our members include Maryland casinos.



We educate and advocate about the community benefits of in-person gaming, the destructive harms of online gambling, and the financial reality that, contrary to the overblown promises of those seeking to profit from iGaming, it will provide little to no material net tax revenue for states. The harms of online gambling are both financial and personal, including:

- **Significant job losses** for workers at brick-and-mortar casinos. More than 2,000 casino jobs in Pennsylvania disappeared after iGaming launched. Casinos offer good paying, accessible jobs;
- **Dramatic increases in problem gambling.** The National Council on Problem Gambling has found that online gamblers are 8x more likely to report problem gambling behavior. Calls to problem gambling helplines have exploded in the major iGaming states of New Jersey (277% increase) and Michigan (267% increase);¹
- **Substantial cannibalization** of brick-and-mortar casino revenues as State policy encourages thousands of patrons each day to stay home and not visit their properties.² This undermines one of the State's largest employers, destroys the incentive to reinvest in and expand brick and mortar facilities, and sends damaging ripple effects throughout local economies and communities; and
- **Increased financial constraints on low and middle-income households.** Studies have shown that online gambling is leading to increased bankruptcy rates, debt collection, credit card debt, car loan delinquencies, loss of credit, loss of savings, and more;³
- **Increased underage gambling and addiction among young people.** iGaming affords tech savvy minors greater access to gambling with 11% of adolescents worldwide having gambled online.⁴ To that end, a recent report revealed that 34% of minors in Buenos

¹ *NJ Spotlight News*, "Surge in problem gambling in NJ – and in calls for help" (Sept. 26, 2024); www.abc12.com, "Revenue and addiction skyrocket in 5 years since law legalizing online gambling" (Nov. 19, 2024)

² 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)

³ See *Gambling Away Stability: Sports Betting's Impact on Vulnerable Households*, Scott R. Baker, Justin Balthrop, Mark Johnson, Jason Krotter, Kevin Pisciotto (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).

⁴ 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).



Aires, Argentina, had gambled online despite adult verification checks. College students and young people, especially boys and men, are particularly vulnerable to online gambling addiction.⁵

International evidence highlights the significant harms associated with online gambling, underscoring the likelihood of worsening challenges in the United States. Governments in countries such as the United Kingdom, Canada, the Netherlands, Brazil, and Japan are grappling with substantial public health crises and the far-reaching social consequences of online gambling.

Proponents of iGaming suggest that states like Maryland should accept these risks and harms in pursuit of substantial new tax revenues. However, the reality is that states may find themselves, much like iGaming customers, chasing losses rather than realizing meaningful financial gains.

A thorough analysis will reveal that iGaming is unlikely to generate significant net new tax revenue for Maryland. After accounting for cannibalized casino gaming tax revenue, reduced non-gaming tax revenue due to job losses and decreased economic activity, and the added costs of addressing iGaming's social harms—such as increased addiction, problem gambling, health care expenses, and crime—any remaining tax revenue is far outweighed by the associated harm.

Based on all of the foregoing, NAAiG respectfully urges the Budget and Taxation Committee to **reject** SB340. The financial returns from iGaming are highly questionable, and the growing evidence of its significant financial, social, and public health harms makes it clear that this legislation is not in Maryland's best interest. Sound public policy demands prioritizing the well-being of our communities over the false promise of revenue.

Thank you and the Committee for your consideration of our testimony.

Respectfully submitted,

Jason Gumer

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Monarch Casino & Resort, Inc.
Member, NAAiG

⁵ *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024); *How gambling affects the brain and who is most vulnerable to addiction*, Emily Sohn (July 2023).