



Testimony in *Opposition* of Senate Bill 340
Internet Gaming – Authorization and Implementation

To: Senator Guy Guzzone
Chair, Budget and Taxation Committee

Written testimony from: Kristen Pironis
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Dear Chair Guzzone and Members of the Budget and Taxation Committee:

On behalf of Visit Annapolis and Anne Arundel County, I am writing to express our **opposition** to Senate Bill 340 regarding the authorization and implementation of internet gaming. Arundel Mills and Live! Casino is Maryland's most visited attraction, bringing insubstantial economic impact for local businesses and the region.

We are at an inflection point for travel, tourism, and hospitality. We came through a very tough time during a near shutdown of the industry due to COVID-19 and have started to see signs of recovery. Our goal is not to revert back to 2019 but advance our organization and our industry forward. Tourism is recognized as an engine for economic development, but it is now understood that the experience of travel and hospitality brings joy and well-being to visitors as well as our residents. With partnerships with entities like Live! Casino, we provide those experiences. Whether it's a dinner out, a night at the hotel, or even some time at the blackjack table, the casino lives up to its promise of an experience for its guests.

However, the legalization of iGaming in Maryland, scheduled for a vote on January 29, poses a significant threat to our partners, businesses, and communities. The legalization of online gambling in Maryland could result in negative economic consequences including a statewide annual personal income decline of \$65 million, a loss of \$1.9 million in state income taxes, and a loss of \$1.2 million in local income tax revenue. A vote in support of SB340 is a vote against the health of our economy.

In 2024, a report was conducted by the Sage Policy Group and Anne Arundel County Chamber of Commerce, which expanded upon findings of The Innovative Group's November 2023 Report (the IG Report) that analyzed the potential economic impacts that legalizing iGaming could have on the state of Maryland. The report noted that there is potential cannibalization of economic activity as casinos and other local economic actors suffer losses of revenue that instead flow to large, out-of-state firms that are adept at operating iGaming platforms. According to the report, it found that same-store brick-and-mortar casino revenues from in-person gaming declined 8 percent between 2019 and 2022 in states that legalized iGaming while increasing 2 percent in states that did not. From October 2022, the month before online sports gaming became available, to November 2023, the most recent month for which data is available, in person gaming revenues declined approximately 26 percent. This is largely due to the fact that those placing sports wagers are no longer traveling into a casino and playing other games while there (source: the IG Report).

Further concerns include:

- **Job losses:** There are six brick and mortar casinos in the state that support more than 27,000 jobs as of 2023, according to the American Gaming Association. iGaming jobs are often held out of state which will cause a decline in locally held jobs and available wages and benefits. In-person sports wagering revenue declined nearly 63 percent between October 2022, the month before online sports gambling became available, and October 2023. A similar decline in overall in-person gaming



revenues resulting from iGaming legalization in Maryland would lead to the destruction of more than 7,000 jobs and \$400 million in annual employee compensation (source: the IG Report).

- **Harm to surrounding businesses:** Potential expansion of brick-and-mortar casinos may be stalled, which limits possible revenue increases and traffic generation for other nearby businesses which benefit from increased casino traffic. Surrounding entertainment and shopping clusters, many of which opened because of casino traffic, will lose business as fewer guests travel to brick-and-mortar locations. In particular, the hotel industry could see significant impacts as lodging accounted for \$4.1 billion in economic impact from visitor spending within the state of Maryland in 2023, including \$452 million within Anne Arundel County (source: Tourism Economics).
- **Lost opportunities:** Leisure and hospitality continue to recover from the pandemic. The loss of casino jobs and vendor opportunities will further harm the success of local businesses. In particular, the food and beverage and retail industries could see significant impacts due to lack of casino traffic. This could deal a big blow to the \$4.95 billion in economic impact from visitor spend on food and beverage within the state of Maryland in 2023, including \$570 million within Anne Arundel County; and the \$2.49 billion in economic impact from visitor spend on retail within the state of Maryland in 2023, including \$325 million within Anne Arundel County (source: Tourism Economics).
- **Limited wages:** iGaming could limit job opportunities for Marylanders with only a high school diploma who currently have access to positions like table games dealer which provide living wages and benefits but may disappear if iGaming is legalized (source: The Sage Policy Group and Anne Arundel County Chamber of Commerce published a new report further addressing the potential impacts of iGaming). In particular, it could have a substantial impact on the 26,000 visitor-supported jobs in Anne Arundel County (2023), in which the tourism industry led the county in job growth and accounted for 10 percent of all jobs within the county (Source: Tourism Economics). Lack of jobs and wages directly impacts the residents of Anne Arundel County and beyond.

Legalizing iGaming without considering the potentially vast, long-term impacts that this would have on our state does a disservice to the people and businesses that support and contribute to Maryland's economy. Visit Annapolis & Anne Arundel County strongly urges that you oppose this bill and requests an unfavorable report. Thank you for your service and your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kristen", with a long, sweeping horizontal line extending to the right.

Kristen Pironis
Executive Director
Visit Annapolis & Anne Arundel County