

**Testimony Against
SB 340—Internet Gaming – Authorization and Implementation
The Maryland State Budget and Taxation Committee**

For Hearing held on Wednesday January 29, 2025

Submitted by

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My name is Tracy Lingo, I am the president of UNITE HERE Local 7. UNITE HERE is the largest Union of Casino workers in the United States. Our Union also represents hotel, food service, stadium and airport hospitality workers nationally and in Maryland.

The Gaming industry has expanded significantly over the last few decades. This expansion in States like Maryland, when done right, can fund important State and local initiatives, spur economic development beyond the Casinos and provide family sustaining jobs which further advances our economy.

However, while we share concerns regarding the need for new revenue streams to address the projected tax revenue shortfall, we cannot support an initiative in the gaming industry which threatens our members jobs and standard of living. iGaming legalization as presented in SB340 would undermine the great progress that has and is being made in the areas of local development and job creation.

We have submitted written testimony from seven Maryland Casino workers who detail how brick and mortar Casino Gaming in our state has resulted in people getting jobs and thriving. Workers being paid decent wages that have allowed them to purchase homes, work just one job and spend more time with their families.

All of us want Maryland to be a great place to live and work—a state with a strong economy that allows workers to stand on their own feet and to support themselves and their families, and to make sure our schools and government services are well funded, but the plan to legalize iGaming put forward in SB340 will hurt, not help us in reaching this goal.

First and foremost, the impact on the brick-and-mortar Casinos will be dramatic. The Innovation Report that was commissioned by the Maryland Gaming and Lottery Control Agency states clearly that we can expect a 10.2% loss of brick-and-mortar gaming revenue.

Maryland's six brick-and-mortar casinos directly employ 6,678 people as of January. According to the American Gaming Association, Maryland's gaming industry creates \$5.78 billion in economic impact and supports 27,380 jobs. The Sage Policy Group projected that legalizing iGaming could eliminate 685 direct jobs with \$33.6 million in lost annual income and a total loss of approximately 1,215 jobs with over \$65 million in lost annual income through direct and secondary effects. iGaming will not only inhibit future Maryland casino job growth, but will also lead to a loss of jobs, Union jobs. This year's bill is even more damaging than last year's bill in that it proposes untethering igaming licenses from Maryland's brick and mortar casinos, a move which would exacerbate the loss of well paying Union jobs.

Maryland's brick-and-mortar casinos have fostered economic development connected to or adjacent to the Casinos. Ocean Downs Casino has plans on hold to construct a hotel by its casino. The Warner Street corridor next to the Horseshoe Baltimore Casino has begun developing an entertainment district which includes plans to build a hotel. The MGM Casino is a major engine for the development taking place at National Harbor in Prince George's County. iGaming will reduce the foot traffic in the Casinos and have a negative impact on all of these development plans. Why would a casino invest additional capital to improve or expand its casino/entertainment/hotel footprint if it can make money with much less investment in iGaming?

Further the short term relief measures for job loss built into SB340 will not create enough jobs in the gaming and hospitality sector to replace lost casino jobs. Short term relief measures like a fund for displaced workers and enhanced unemployment benefits will not solve the problem of a permanent reduction of jobs in Maryland's casino industry. In addition, new jobs created through live dealer studios are not projected to make up for lost casino jobs. The Innovation Group report commissioned by the Maryland Lottery and Gaming Control Agency stated:

“With online gaming, there is some land-based job creation (e.g., head of interactive gaming, studios for live dealer online games), but job creation may be substantially lower than the reduction of variable labor (e.g., table games dealers or slot machine attendants) coming from cannibalization of land-based gaming.”ⁱ

There is a reason why over 40 states, including Nevada, have not enacted iGaming – and why 6 states have recently rejected iGaming legislation. It is clear that iGaming is a job killer and an accelerant to problem gambling that will suppress local development and rob community programs of funds that they currently receive from the local impact money.

Please put Maryland's working families and communities first. We ask for an unfavorable reading on SB340.

ⁱ Innovation Group, November 2023, "iGaming in Maryland," https://dlslibrary.state.md.us/publications/JCR/2023/2023_49-50.pdf, See: p. 31.