



Senate Budget and Taxation Committee

Chair, Senator Guy Gazzone
Vice Chair, Senator Jim Rosapepe
3 West Miller Senate Office Building
Annapolis, Maryland 21401

January 29, 2025

Good morning, Senators. It is an honor to be in Annapolis, Maryland. It is especially an honor to be in the oldest statehouse building “in continuous legislative use” and of course the only to ever to serve as our nation’s capitol. If only these walls could talk.

I am Delegate Shawn Fluharty from neighboring West Virginia. I serve as the Minority Whip in the West Virginia House of Delegates. I would like to thank the Maryland Senate, Chairman Gazzone, Vice-Chairman Rosapepe and the lead sponsor of Senate Bill 340 - Senator Ron Watson - for the invitation.

I know a little bit about gaming. In the working-class district that I represent in the West Virginia Legislature, which encompasses the city of Wheeling, we have almost every form of regulated gaming. A traditional brick and mortar casino, retail and mobile sports betting, limited video lottery machines, iLottery and iGaming (which we passed in 2019).

In addition to my legislative role, I also serve the President of the National Council of Legislators from Gaming States (“NCLGS”) which was founded a quarter century ago and is the only organization of state lawmakers that meets on a regular basis to discuss gaming policy.

NCLGS knows Maryland very well. I am proud to report we have had attendance from Maryland legislators over the past years, specifically from today’s lead sponsor, Senator Ron Watson. We have also had participation from Maryland Lottery. In addition, I have visited the Morgan State University campus to join them on awareness and consumer protection issues in gaming, most recently a town hall focused on iGaming and the opportunities this legislation can bring for university research, potential careers and consumer protections.

At our conferences we convene expert panels that discuss and debate all the top gaming issues nationwide; this enables us to educate our fellow legislators on what other states are implementing. The idea being we can all work together to put forward best practices and create the best policy.

I know governing is complex, but I can attest that iGaming policy is good public policy. Rarely will you find a piece of legislation this session or any session that can raise new revenue without raising existing taxes while shrinking the black market and protecting consumers.

Today, I would like to focus on a few areas related to regulated iGaming and Senate Bill 340:

Revenue Generation vs. Revenue Theft

38 vs. 7

Q3 2024 38 Sports Betting States = \$3.24 billion revenue

Q3 2024 7 iGaming States = \$2.08 billion revenue

SUMMARY OF THE U.S. ILLEGAL AND UNREGULATED MARKET

UNREGULATED MARKET	ESTIMATED HANDLE	ESTIMATED REVENUE	ESTIMATED STATE TAX LOSS
Sports Betting	\$63.8B	\$3.8B	\$700M
Online Slots and Table Games	\$337.9B	\$13.5B	\$3.9B
Unregulated Machines	\$109.2B	\$26.9B	\$8.7B
TOTAL	\$510.9B	\$44.2B	\$13.3B

SOURCE: AMERICAN GAMING ASSOCIATION

Shrinking the Black Market

Best Online Casino Sites in Maryland
UPDATED FOR Mar-2024

100% Legal | Licenced | Fast Withdrawals

RATED #1 BY PLAYERS

BETUS

WELCOME BONUS
200% Up to \$5,000

★★★★★
Votes (445,687)

10
Our Score

Get Bonus

21+, New Customers Only, T&C Apply

BEST CHOICE

cafe CASINO

WELCOME BONUS
350% Bonus Up to \$2,500

★★★★★
Votes (420,687)

9.9
Our Score

Get Bonus

Currently available in the state of Maryland. No tax revenue. No consumer protections.

The above graphic illustrates what is readily available in the state of Maryland. I think it is safe to say that Café Casino is not generating tax revenue for the state nor are they employing any of your constituents or giving back to your respective communities. Instead, they are operating free and clear without consequence. They are also failing to protect consumers along the way.

Senate Bill 340 represents the due diligence that the state of Maryland has taken on iGaming and will produce good policy for years to come in the state. We all know about the projected revenue numbers. I can tell you they are real. In West Virginia or any state with a regulated iGaming industry, it far surpasses sports betting revenue. Beyond the obvious revenue generation, the live dealer studio requirements found in this bill will create jobs. For example, the state of Michigan has generated thousands of jobs from a similar requirement in the iGaming legislation. Senate Bill 340 also utilizes the strong educational and research opportunities available through university partnerships, namely Morgan State University and Bowie State University.

This legislation also lays the groundwork for proper consumer protections. Recently, NCLGS unveiled our model iGaming legislation which also includes many parameters found in Senate Bill 340, including provisions such as a credit card ban. In addition, prohibiting predatory practices so that consumers are not chasing losses or bypassing normal gameplay by directly paying for bonus feature access, would also be worth considering as this bill continues the legislative process.

The objectives of Senate Bill 340 are clear - establish an effective, comprehensive, and efficient regulatory framework consistent with public policy that will foster public confidence and trust in the integrity of the regulatory process and the fairness of internet gaming operations.

I look forward to further discussion and I am happy to answer any questions.

Sincerely,

Shawn Fluharty, Esq.