



**Written Testimony of Playtech | January 28, 2025**  
**Budget and Taxation Committee**  
**In Support of Senate Bill 340 Internet Gaming - Authorization and Implementation**

Playtech is grateful for the opportunity to submit a written submission supporting Senate Bill 340, which would authorize and implement internet gaming.

Playtech is a leading technology supplier to the gambling sector and one of the largest global B2B software and services suppliers. We are an FTSE 250 company regulated in over 40 jurisdictions, working with 180 global licensees. We employ more than 7,900 people in 20 countries.

We provide operators (our licensees) with gambling software, data-driven services, and platform technology across the industry's most popular product verticals, including casino games and live dealer entertainment, sports betting, virtual sports, bingo, and poker.

In 2020, Playtech entered the US market with a transactional waiver in New Jersey and has since launched casino games, our leading IMS platform, and Player Account Management (PAM) system in a number of states. We have launched state-of-the-art facilities and live dealer game studios in Michigan, New Jersey, and Pennsylvania. In addition, we have entered the land-based sector with our retail kiosk terminals.

This written testimony presents the rationale for authorizing iGaming, discusses important considerations in an iGaming framework, and outlines how Live Dealer Studios operates.

**Reasons for iGaming**

Playtech believes that legalizing iGaming in Maryland would have several advantages for the state. It would help to reduce the illegal offshore market and safeguard the interests of Marylanders. The offshore market provides online casino games, but with low standards of player protection and responsible gambling. Players are at risk of playing on untested websites and games that are not monitored or reported.

Legalizing the iGaming sector benefits the players and the local government. Some of the benefits include the following:

- **Protection of players** – Offering a legal sector will mean players can play with local licensed and verified gambling companies. In addition, players will be kept safe by the regulatory framework designed by local regulatory authorities.
- **Creation of new jobs** – numerous new jobs would be created if Maryland approved iGaming, notably with the opening of local live dealer game studios.
- **Government revenues** – As shown in the early days of sports betting, the iGaming sector will contribute both meaningful licence fees and tax revenues for the state government.
- **Greater accountability** – The state regulatory authority can set high standards and hold operators accountable by bringing the industry under local licences. This can include adequate security, game testing and software development, among other things.

In Canada, [research by Deloitte](#)<sup>1</sup> estimated that in its second year of operation, Ontario's regulated online gambling market sustained almost 15,000 full-time equivalent jobs across the province despite the state not requiring live dealer studios to be within the province. The estimated contribution to Ontario's GDP increased by 70% compared to year 1, from C\$1.6bn (US\$1.11bn) to C\$2.7bn (US\$1.88bn).

Meanwhile, a report<sup>2</sup> conducted on behalf of the iDevelopment & Economic Association (iDEA) by Eilers & Krejcik Gaming, a boutique research and consulting firm, showed that online gaming helps boost revenue for operators' brick-and-mortar properties instead of harming the sector. The study, *Comparing Online and Land-Based Casino Gaming*, can be found [here](#).

### **Responsible Gambling and Player Verification**

Playtech welcomes a legalised iGaming framework that expects high standards from the gambling industry. We believe that this framework should encompass robust means of proactively preventing harm. In our view, New Jersey and Ontario are the best practice examples in North America. Both these require that operators employ player analytics and technology to spot problematic gambling patterns early on. This data-driven approach allows for personalised interventions based on actual observed behaviour. It protects all types of players and can be part of Maryland's iGaming legislation.

We want to highlight the draft Model Internet Gaming Act (MIGA)<sup>3</sup>, published by the National Council of Legislators from Gaming States (NCLGS). Authored by various legislators from Gaming States, the Act establishes legislative and regulatory standards for implementing an iGaming framework, such as responsible gaming best practices, player protection provisions and exclusion protocols, among other topics.

Any iGaming model can implement safeguards to ensure that the player is thoroughly verified and that login requirements are met. The industry norm is that an operator must verify an individual's identity before allowing that individual to place an internet wager. Operators are commonly required to use reliable identification sources, including third-party KYC specialists and governmental databases. Given the volume of digital KYC sources, completing player registration exclusively online is the industry norm, as is the case in other states.

Other standards from leading markets can be used for login standards. In New Jersey, operators must implement multi-factor authentication for all New Jersey accounts. Multi-factor authentication requires patrons to provide additional verifications besides their usernames and passwords to gain access to an account. This can include a player's biometric data, such as fingerprints, facial or voice recognition or

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<sup>1</sup> [Deloitte: Economic Contribution of Ontario's Regulated iGaming Market](#)

<sup>2</sup> [Eilers & Krejcik Gaming: Comparing Online And Land-Based Casino Gaming: How The Growing Online Segment Impacts Land-Based Performance](#)

<sup>3</sup> [Model Internet Gaming Act Committee on Model Internet Gaming Legislation](#)



information known only to the account holder. Adopting the above measures should alleviate any concerns that anyone can access the gambling account other than the account holder.

### **Live Dealer Games**

Playtech has three US studios in New Jersey, Michigan and Pennsylvania and will shortly support West Virginia licence holders with our studios outside of the state. We have vast experience opening studios worldwide and are among the most experienced in the US. Live dealer studios are now a standard product in terms of iGaming offerings.

As with any new studio, there is a significant initial investment in constructing and developing a local studio and hiring and training best-in-class personnel/dealers, who often grow into other opportunities within the business. Although live dealer games are sometimes dubbed casinos without players, the studios are not the casinos but are suppliers. A gaming supplier only receives a low percentage of its license holders' net gaming revenues from these games, often classic casino low-margin table games, such as blackjack and roulette.

Once built, live dealer studios have operational costs, such as security, IT, and equipment, to ensure operations can run 24/7 and our staff is trained and invested. In contrast to RNG slot games, for example, while there is a lot of initial cost invested in the game's creation, there is much less operational cost post-production besides certification.

We support the 20% tax rate on live dealer games. This would allow studios to invest in and develop employees, innovate games, and invest in new equipment.

We would also encourage you to ensure that the studio is not exclusive to the state so that the stream can be used outside of the state and that other US studios can be used to serve Maryland licence holders with certain new and innovative game types that will benefit players with more games and consequentially lead to more tax revenues.

### **Player Journey**

If the legal market model is chosen, then to provide the best possible player experience, the financial burden, in general, should allow operators to offer games at a competitive return to the player (RTP). As business costs increase, some operators may use lower RTP slot games, impacting the player experience. RTP is the theoretical payback a casino player will get back when playing casino games over a long period of time. The higher the RTP the casino game has, the higher the chance the player has to win over the long run, and vice-versa.

The RTP also affects the length of the game session, as games with a higher RTP provide more minutes of entertainment and more value for the player's money.

Given the above, Maryland's 55% tax rate on non-live iGaming products would be one of the highest in the world, and it would mean that operators use lower RTP games to manage the tax burden. In addition,



this also does not factor in the other ongoing overheads incurred, such as hosting, certification, customer services, and other compliance costs.

### **Conclusion**

Much of the great work done in Maryland to regulate sports betting, such as licensing standards, responsible gaming, consumer protection, and anti-money laundering practices, can be extended to the iGaming sector, meaning that a robust market could be launched quickly.

A well-designed regulatory framework will ultimately protect players from playing with offshore websites. Thank you for the opportunity to submit this information, and please do not hesitate to contact me if the committee has any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hogan' with a stylized flourish.

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