

Sb 725 Riverboat.pdf

Uploaded by: Antonio Jones

Position: FAV



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Tuesday, February 25, 2025

Dear Chair Guzzone, Vice-Chair Rosapepe, and members of the Senate Budget and Taxation Committee,

My name is Antonio (Tony) Jones, and I am a Managing Partner of Riverboat on the Potomac, a 100% Minority Business Enterprise (MBE) gaming and entertainment facility that has proudly served Maryland and the surrounding region for three decades. I submit this testimony in strong support of Senate Bill 725, which would allow for the awarding of a video lottery operation license in Charles County.

As a full minority ethnicity-owned business, Riverboat on the Potomac represents the kind of economic inclusion that Maryland has long sought to support and promote. Expanding gaming operations at our facility through the addition of video lottery terminals would further strengthen an already thriving minority-owned business, creating new jobs, increasing investment in the local economy, and generating significant new tax revenue for the state.

A critical component of this opportunity is the unique geographical positioning of our facility. Riverboat on the Potomac attracts a substantial number of visitors from Virginia, making it a key source of out-of-state revenue for Maryland. While many gaming facilities primarily capture in-state dollars, our location gives Maryland the rare advantage of drawing Virginia residents—who are already a significant portion of our customer base—into our gaming economy. This means that the tax revenue generated from SB 725 would not just be recycling existing Maryland gaming dollars but would bring in fresh revenue from outside the state, benefiting Maryland's economy without increasing the tax burden on residents.

By approving SB 725, Maryland has the opportunity to support a successful, long-standing MBE while also strengthening its competitive edge in the regional gaming industry. Neighboring states have already expanded their gaming options, and Maryland should not lose out on this opportunity to keep pace while benefiting from new revenue sources.

Additionally, Riverboat on the Potomac has a proven track record of responsible gaming regulatory compliance. The addition of video lottery terminals would be a natural and strategic expansion within an already well-regulated and well-established facility. We are committed to maintaining the highest standards of integrity, and this legislation provides a structured, responsible way to grow Maryland's gaming sector.

This bill is not just about gaming—it is about economic development, supporting minority-owned businesses, and capitalizing on a revenue stream that largely comes from out-of-state visitors. I urge the committee to give SB 725 a favorable report and allow Maryland to benefit from this unique and valuable opportunity.

Thank you for your time and consideration.

Sincerely,



Antonio Jones, Managing Partner
Riverboat on-the Potomac, LLC

If you have any questions, please contact:

Lesly Feliz

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SB 725 Sponsor Written Testimony.pdf

Uploaded by: Arthur Ellis

Position: FAV

ARTHUR ELLIS, CPA
Legislative District 28
Charles County

DEPUTY MAJORITY LEADER

Finance Committee

Senate Chair

Joint Committee on the
Management of Public Funds

Chair, Charles, St. Mary's and Calvert
Counties' Senate Delegation



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Sponsor Written Testimony: Favorable

Senate Bill 725: Charles County – Gaming – Video Lottery Operation License and Video
Lottery Terminals

February 19, 2025

Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation
Committee:

I, Senator Ellis, am sponsoring and testifying in support of Senate Bill 725 entitled, “Charles County – Gaming – Video Lottery Operation License and Video Lottery Terminals.” Senate Bill 725 would expand the number of licenses and terminals that may be awarded for video lottery facilities. Expanding these licenses would improve economic opportunities in both Charles County and Maryland as a whole, in addition to improving options for entertainment in Southern Maryland.

The bill would also expand the number of licenses that can be granted from six to seven licenses. Established in November 2008, the Video Lottery Facility Location Commission will allow for a competitive bidding process to award these licenses.¹ In Anne Arundel County, video lottery terminals at the Maryland Live! Casino generates 4.51% of total revenues in Anne Arundel County.² Additionally, Maryland’s Video Lottery Terminal (VLT) fund uses a percentage of

¹ *Video Lottery Facility Location Commission*, Maryland Manual On-line,
<https://msa.maryland.gov/msa/mdmanual/26excom/defunct/html/35video.html> (last visited Feb. 18, 2025).

² *Video Lottery Facility Local Development Council*, Anne Arundel County Maryland,
<https://www.aacounty.org/video-lottery-facility-local-development-council> (see “About Us”) (last visited Feb. 18, 2025).

proceeds from terminals to financially assist small, minority, and women-owned businesses in areas surrounding the terminals.³ By expanding a video lottery license and terminals to Charles County, we can ensure that these benefits expand to and are targeted to small, minority, and women-owned businesses in the area of Southern Maryland and bordering Virginia on the Potomac River. Maryland can also generate increased revenue for the entire state of Maryland from tourists and residents of Virginia who may come to the Charles County, MD location, since Charles County partially borders Virginia.

Thank you for your consideration and I respectfully request a favorable report on Senate Bill 725 to expand video lottery licenses and terminals in Southern Maryland to improve economic outcomes and equity and entertainment for businesses and residents in Maryland.

Sincerely,



Arthur Ellis

³ *Small, Minority and Women-Owned Business Account - Video Lottery Terminal Fund (VLT)*, Maryland Department of Commerce, <https://commerce.maryland.gov/fund/programs-for-businesses/vlt> (last visited Feb. 18, 2025).

2025 Casino Testimony on VLT Expansion(66013075.1)

Uploaded by: Marta Harting

Position: UNF



To: Senate Budget and Taxation Committee

Date: February 25, 2025

Re: Testimony in Opposition to Senate 725 (Charles County – Gaming – Video Lottery Operation License and Video Lottery Terminals)

Maryland's six casinos oppose SB725, which would authorize an additional video lottery facility license in the State.

Maryland's six casinos drive significant State revenues and other benefits to the State's economy.

- Maryland has the 19th largest population in the country but generates the 4th highest gaming tax revenues.
- Maryland's six commercial casinos support 15,000+ direct jobs, generate \$3.0 billion in economic impact; and create \$962.2 million in tax impacts.¹
- Maryland's 41% Blended Tax Rate is the second highest tax rate in the country.
- Maryland has one of the highest gaming tax revenues as a percentage of corporate income tax collected in the country, at 52%. In other words, the 6 casinos in Maryland pay over half as much tax annually as **the thousands of other corporations doing business in the state each year.** (\$848 million Gaming Tax v \$1.6 billion corporate income tax.²)
- **Maryland casinos have provided \$5.2 billion to the Maryland Education Trust Fund and over \$6.5 billion in overall taxes since the program began.**

An additional casino in Maryland will disrupt Maryland's mature and successful gaming market, and negatively impact State gaming revenues to fund public K-12 education and other important programs.

- Maryland's six casinos are geographically well-distributed and accessible to all parts of the State and nearby areas of neighboring states. The additional casino proposed in SB 725 would not reach any new, untapped market for the State.
- Adding a seventh casino will not increase total gaming revenues in the State; rather, it will simply cannibalize the State's existing casinos.
- Maryland's casinos collectively spent over \$3 billion just on initial construction of their facilities. These initial investments and ongoing investments to maintain attractive and competitive facilities were made in reliance on the number and distribution of casinos dictated by the existing law.

¹ Source: American Gaming Association

² Source: January, 2023 DLS Fiscal Briefing

- Cannibalizing the existing casinos will deprive them of the revenues necessary to make ongoing investments in their facilities, threatening to reduce overall gaming revenues to the State as facilities decline.
- Maryland has greatly benefitted from its casino gaming program. Since the inception of the program, the Education Trust Fund has received over \$6 billion in casino revenues, \$601 million in FY24 alone.
- In FY2024, casino revenue also contributed:
 - \$105m in local aid
 - \$94m to Maryland's horse racing industry
 - \$20m to the Maryland's Small, Minority and Women-owned Business Fund
 - \$4.5m to the Responsible Gaming Fund
- The partnership between Maryland and its VLT licensees is one of the most successful partnerships to fund public education in the nation. It is critical that the Maryland General Assembly not jeopardize the program by disrupting the market with a seventh casino.
- By cannibalizing the revenues of the existing casinos and threatening their ability to continue to invest in their facilities to maintain competitiveness with other states in the region, SB 725 is contrary to the State's interest in maximizing casino tax revenue to fund public education and the other programs funded by casino taxes.

Maryland is surrounded by states with commercial gaming (Virginia, Pennsylvania, Delaware, New Jersey and West Virginia) with which it must remain competitive to preserve and grow commercial gaming revenue. The disruption of Maryland's commercial gaming market proposed in SB 725 would weaken Maryland's ability to compete with neighboring states, particularly as they threaten to expand commercial gaming near the border with Maryland.

Cannibalizing the existing casinos' revenues will negatively impact their ability to continue to support the 15,000+ existing jobs that they currently support.

For these reasons, Maryland's existing casinos request an unfavorable report on SB 725.