

Testimony of The Cordish Companies and Live! Casino Hotel Maryland

Presented by Mark Stewart, General Counsel

In SUPPORT of HB 1418

Ways and Means Committee Hearing

March 3, 2025

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony in support of HB 1418, which would bolster enforcement efforts against illegal online gambling in Maryland. While online gambling is currently illegal in Maryland,¹ HB 1418 provides further clarity that will aid enforcement efforts and also calls on the Maryland Lottery and Gaming Control Commission to collect and report on illegal online gambling data that could lead to additional enforcement measures.

We applaud the bill's focus on enforcement, as multiple studies have shown that legalization does not stop the illegal online gambling market – in fact, it often grows.² As a September 2024 article in *The Washington Post* explained:

When the gambling industry urged the Supreme Court to strike down the federal ban on most bookmaking outside Nevada, it cited states' desire "to combat sprawling black markets for illegal sports gambling." Indeed, many of the 37 states to legalize sports betting since 2018 said doing so would help drive out operators . . . that have thrived since the 1990s without paying U.S. taxes. But a staggering amount of action continues to go offshore — and bypass state and federal tax collectors — despite the growing availability of licensed sportsbooks, which, unlike their black-market competitors, must comply with rigorous consumer protections and anti-money-laundering protocols.³

The State should not limit its focus to criminal enforcement. We encourage the Legislature to consider additional measures that would empower civil enforcement authorities to crack down on illegal online gambling and those businesses that facilitate their websites. For example,

¹ Maryland Code, Crim Law §§ 12-102, 12-301, 12-301.1 and 12-302.

² *The Washington Post*, "Legal sports betting was supposed to end the black market. It didn't" (Sept. 12, 2024); 22News wwlp.com, "Legalization didn't undercut illegal sports betting" (Sept. 3, 2024); *The Guardian*, "Two-thirds of Super Bowl Bets were Illegal as Black Market Thrives" (Feb. 23, 2024); NERA, *A Response to iDEA's Review of NERA's New Jersey iGambling Study* (Feb. 4, 2025); <https://cdn.sanity.io/files/42ezp3kj/production/3c51bcc5f56e9f4e49be0d36910c0db943805877.pdf>; https://massgaming.com/wp-content/uploads/OPS23-Report_2024-07-05_clean.pdf

³ *The Washington Post*, "Legal sports betting was supposed to end the black market. It didn't" (Sept. 12, 2024).

legislation could be enacted to empower the Consumer Protection Division of the Office of Attorney General to enjoin web browsers from hosting illegal gambling sites and payment processors from processing transactions involving such sites. In the event these businesses violate those injunctions, substantial civil penalties could be imposed, as well as private causes of action by citizens authorized against them with the ability to recover attorneys' fees.

HB 1418 will bolster the State's criminal enforcement tools to combat illegal online gambling and is an excellent first step. We respectfully urge a favorable report on HB 1418.