



To: Senate Budget and Taxation Committee

Date: February 25, 2026

Re: Testimony in Opposition to Senate Bill 639 (Sports Wagering – Wagers on Historical Horse Races– Authorization)

Maryland’s six casinos oppose SB639, which would result in a major expansion of 4,000 slot machine-like games in numerous areas of the State that are already being served by our facilities. The result will be cannibalization of Maryland’s existing gaming tax revenue, job losses among our workforces, and less overall tax revenue for the State.

SB 639 would expand commercial gaming in Maryland by allowing wagers on what are commonly referred to as historic horse racing machines, or “HHRs.” However, to the public and the player, **there is virtually no distinction between an HHR and the video lottery terminal (VLT) games on our casino floors.**

Virtually all of the popular VLT game titles in Maryland’s casinos are available in an HHR format, including: Buffalo Gold; Blazing 777 Triple Double Jackpot; Ultimate Fire Link; Wheel of Fortune; Huff N More Puff; and Quick Hit Blitz. Despite the name of the HHR machine, though, the player typically sees nothing about a historic horse race in the appearance or play of the game, as the following pictures of HHR machines demonstrate.





SB 639 purports to designate already-run, historic horse races as a “sporting event” and authorize HHR wagers as a sports bet on such sporting events. Clearly, as these HHR photographs demonstrate, gambling on an HHR machine is not a sports bet. The data from the historic horse race is only utilized behind the game screen to produce the random outcome that determines the results of a play on an HHR machine.

Further, HHR players are not betting “on” the purported sporting event, as required of a sports bet. The historic horse race has already run and the HHR player is not picking horses and betting “on” that race. For additional technical reasons, pari-mutuel wagers, which are the type of wager placed on an HHR, are not fixed-odds sports bets as either a matter of fact or law.

The HHR sports betting mischaracterization leads to at least three negative ramifications:

1. It means that these VLT-like games **will only be taxed at 40%**;
2. It means that **the State will receive less overall gaming tax revenue** as it will collect only 40% from the play on the 4,000 HHRs as opposed to **51% on average from VLT play**; and
3. It means that these 4,000 HHRs **would not contribute any funding to problem gaming prevention and treatment programs.**

The bill also proposes to install these low-tax, VLT-like games in locations that are close to the casinos and in areas where we otherwise draw material numbers of patrons. For instance, under the Bill, Rosecroft Raceway in Prince George’s County, Pimlico Race Course in Baltimore City, Laurel Park in Anne Arundel County, and The Maryland State Fairgrounds in Timonium, Baltimore County could all obtain a license to operate HHR facilities. Additionally, our facilities draw substantial customers from the areas surrounding the off-track-betting (“OTB”) locations that would be eligible for HHRs under the bill, such as Frederick, Hagerstown, Hampstead, and Boonsboro.

SB 639 would fundamentally change Maryland’s gaming landscape, altering the rules of the game on which our companies based their collective \$3 Billion of investment in the State. Indeed, adding 4,000 VLT-like HHRs is tantamount to an over **40% increase in the number of slot machines** currently in play in the State and nearly a **25% increase in the total number of VLTs authorized** under Maryland’s constitution. The cannibalization caused by these low-tax, VLT-like machines will inhibit reinvestment and expansion of our facilities and could lead to job losses for our team members.

The partnership between Maryland and its VLT licensees is one of the most successful partnerships to fund public education in the nation. 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 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)

Since the inception of commercial gaming in Maryland, Maryland casinos have provided \$6.7 billion to the Maryland Education Trust Fund and over \$9 billion in overall gaming taxes. They have also generated over \$56 million in problem gambling fund contributions.

¹ Source: American Gaming Association

² Source: January 2023 DLS Fiscal Briefing

In FY2025 alone, Maryland's six casinos generated \$606 million for the Education Trust Fund. Casino revenues also contributed to the following important additional programs in FY2025:

- \$105 million in local aid
- \$95 million to Maryland's horse racing industry
- \$20 million to the Maryland's Small, Minority and Women-owned Business Fund; and
- \$4.5 million to the Responsible Gaming Fund.

Increasing the availability of VLT-like HHR games, particularly at the low tax rate in the bill, will negatively impact State gaming revenues to fund public K-12 education and other these other important programs.

For these reasons, we respectfully request the Committee to give an unfavorable report to SB639.