



March 9, 2026

The Honorable Guy Guzzone  
Budget & Taxation  
3 West Miller Senate Office Building Annapolis, Maryland 21401

Dear Chair Guzzone and Members of the Budget & Taxation Committee

My name is Ruth Toomey, Executive Director of the Maryland Tourism Coalition (MTC), the trade association representing all sectors of Maryland's tourism industry. I respectfully urge you to oppose SB885

Maryland is home to six brick-and-mortar casinos, including properties. These facilities are not simply gaming floors. They are integrated hospitality and entertainment destinations that include hotels, restaurants, retail, golf courses, spas, live entertainment venues, and meeting space.

They are also year-round employers—particularly critical in rural jurisdictions—providing thousands of stable jobs with upward mobility. These properties drive visitation not only to their facilities but to surrounding destinations, supporting restaurants, retailers, cultural attractions, and small businesses throughout their regions.

Legalizing iGaming threatens that ecosystem.

### **The Economic Substitution Effect**

iGaming does not create new entertainment demand at scale—it often shifts existing consumer spending from physical destinations to online platforms. That substitution effect carries measurable consequences:

- Land-based casino revenues decline when iGaming is introduced.
- Capital expansion plans are paused or canceled.
- On-site employment contracts.
- Ancillary businesses lose visitor traffic.

A study by National Economic Research Associates (NERA) concluded that although iGaming can generate headline revenue and tax collections, the broader fiscal picture is far more complex:

- Social costs associated with problem gambling substantially offset fiscal gains.
- iGaming is significantly less labor-intensive than brick-and-mortar casinos, meaning fewer wages circulate in local economies.
- In modeling scenarios, equivalent consumer spending in non-gambling recreation generated greater economic output and higher wage impacts than iGaming.



Separate industry reporting has cited findings that land-based casino revenue drops an average of 16% after iGaming introduction. Those declines translate directly into job losses, reduced economic output, and lower tax contributions that support public services.

This is not theoretical. In multiple states, projections estimate thousands of brick-and-mortar job reductions following iGaming legalization.

### **Impact on Local Communities and Nonprofits**

Maryland's existing casino model was intentionally structured to ensure community reinvestment. Approximately 5.5% of gross VLT proceeds are directed to local impact grants in the jurisdictions where facilities operate.

These funds support:

- Public safety
- Education
- Human services
- Infrastructure
- Community beautification
- Nonprofit programming

For example, in FY2025:

- Live! Casino & Hotel Maryland, through the Anne Arundel County Local Development Council, awarded approximately \$17.5 million in local impact and community grants.
- The Video Lottery Terminal Local Community Grant Program in Cecil County awarded approximately \$700,000 to nonprofit and community organizations addressing priority needs.

iGaming revenue is not structured to replace or proportionally supplement these local grant streams. If brick-and-mortar revenues decline, local impact funding declines. That means fewer dollars for nonprofits, schools, public safety, and community development.

### **Tourism and Competitive Positioning**

Maryland's casinos function as destination anchors within the broader tourism economy. They draw overnight visitors who spend on lodging, dining, retail, and attractions across the state.

iGaming shifts that spending into private digital channels with minimal employment footprint and limited secondary economic impact. The result is a smaller multiplier effect and diminished community reinvestment.



Tourism businesses across Maryland depend on visitation, foot traffic, and experiential spending. iGaming fundamentally alters that dynamic.

### **Conclusion**

SB885 presents significant unintended economic consequences:

- Reduced brick-and-mortar revenue
- Job losses
- Halted capital investment
- Lower local impact funding
- Increased social costs
- Weaker tourism ecosystem performance

The question before you is not simply whether iGaming generates tax revenue. It is whether it generates **net economic benefit** for Maryland communities.

On behalf of the Maryland Tourism Coalition and the broader hospitality industry, I respectfully urge an unfavorable report on SB885.

Thank you for your time and consideration. I am happy to answer any questions.

Sincerely,

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\* <https://igamingbusiness.com/gaming/online-casino/new-jersey-study-finds-igaming-detrimental-economy-tax-benefits/>

\*\* CDC Gaming <https://cdcgaming.com/gaming-industry-polarization-over-igaming-deepens>