

**Testimony of The Cordish Companies and Live! Casino Hotel Maryland**

**Presented by Mark Stewart, General Counsel**

**In OPPOSITION to SB 761**

**Budget and Taxation Committee Hearing**

**March 11, 2026**

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony in **opposition** to SB 761, which calls for a referendum on the legalization of online casino gambling (“iGaming”) in Maryland. For the reasons set forth below, the General Assembly should not legalize iGaming. Beyond the multitude of harms caused by iGaming, SB 761 proposes a referendum on the topic without any authorizing bill or policy details to inform the public. Such information is vital for the public to be able to make a knowledgeable decision on a referendum involving a complex topic like the legalization of iGaming.

Moreover, the proposed referendum question in SB 761 is biased and misleading. The question fails to address or even mention the social harms, increases in problem gambling, increases in underage gambling, mental health concerns, substantial job losses and other ramifications of iGaming. Additionally, the question implies that the State will receive substantial tax revenue from legalization to fund priorities when the net revenue impact to the state will be marginal, at best, after consideration of cannibalization, job losses, lost GDP, and social costs.

**iGaming’s Design & Business Model Lead to Harm**

Online gambling – whether online casino games or even online sports betting – is aptly summed up as follows:

***It’s the bookie in your pocket or the casino in your hand – the opportunity to gamble that follows us everywhere our mobile devices do from bed to desk to toilet, never closing its doors.<sup>1</sup>***

Not surprisingly, this constant access to gambling, without any friction points or breaks in the action, has led to tremendous social and financial harm, not only for the citizens of the few states

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<sup>1</sup> *The Irish Times*, “Generation Gamble: the Invisible Addiction Crisis Gripping Ireland’s Teenagers” (May 3, 2025).

that have iGaming, but also for those with online sports betting. In September 2025, the Maryland Center of Excellence on Problem Gambling released a sobering report on the impacts already being felt by Marylanders from online gambling:

- 51% of online sports bettors are disordered or at-risk gamblers;
- 66% of disordered online sports bettors are male;
- African American and Latino individuals are more likely to suffer from disordered online sports betting; and
- Much like the experience in iGaming states, the rate of disordered online sports gambling in Maryland is nearly 3x the national average.<sup>2</sup>

The obvious questions are – Why is this happening? Why is online gambling so different? Indeed, both Harvard University and Morgan State University have concluded that online gambling can be *10x more harmful* than traditional forms.<sup>3</sup>

Respected authors Jonathan Cohen and Isaac Rose-Berman, who wrote “Smartphone Gambling is a Disaster,” provide an answer:

Gambling today is *fundamentally different* from every other form of gambling in recorded human history. In the last few years, *limitless, frictionless gambling* has become available to anyone with an internet connection. What once required a trip to the bank and [brick & mortar] casino *can now be done on an app – from home or from school*, at all hours of the day.<sup>4</sup>

Non-stop, 24/7 access to gambling is just one piece of the problem, however. The games themselves are different:

Much of the increase in online gambling is due to the fact that gambling companies have *engineered their games to be ever more difficult to resist*. They feature the *same behavioral nudges and dopamine delivery mechanisms as social media platforms*. These are not your grandparents’ slot machines.<sup>5</sup>

Indeed, like a social media app, the entire business model of an online gambling operator is to bring the gambler back to the app as often as possible and to keep him in the app for as long as

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<sup>2</sup> *University of Maryland*, “New Survey Shows Rising Rates of Disordered Gambling Among Marylanders Since Legalization of Online Sports Betting” (Oct. 22, 2025)

<sup>3</sup> *Desert News* “Online Gambling: the stakes for public health” (Jan. 24, 2025)

<sup>4</sup> *Afterbabel.com*, “Smartphone Gambling is a Disaster” (July 24, 2025)

<sup>5</sup> *Id.*

possible. In addition to the games or bets themselves, the delivery device – the smartphone – helps online gambling companies achieve this goal. As one author explained: “The smartphone ... is the perfect device to exacerbate the gambler’s worst impulses. *Smartphones are designed to keep you coming back to them.*”<sup>6</sup>

The Sports Betting Alliance (DraftKings, Fanatics, FanDuel, others), the main proponent of iGaming around the country, does not hide the fact that their members’ entire business plan is centered around keeping customers in the app. Indeed, they boast about it. In testimony before the Kansas legislature, a representative from the Sports Betting Alliance talked about it being normal for patrons to be in their online sports gambling app 10x/day.<sup>7</sup> Certainly, with the non-stop gambling action that is iGaming, 10x/day would be on the low side – especially when online gambling companies are known for *sending gamblers as many as 100 push notifications per day encouraging them to visit the app and gamble.*<sup>8</sup>

With this in mind, it is not surprising that iGaming, as the “most dangerous form of online gambling,”<sup>9</sup> has been called the “fentanyl” and “crack cocaine” of gambling,<sup>10</sup> Professor of Global Health at Harvard, Shekhar Saxena, explained: “It’s continuous, it’s intense, and it can be financially – and also physically and mentally – extremely harmful.”<sup>11</sup> Ohio Governor Mike DeWine put the threat of iGaming into perspective:

This is just *not an incremental increase in gaming*. This literally puts [a casino] in anybody’s hands – a 19-year-old, an 18-year-old, a 16-year-old. It *puts in their hands the ability to game constantly, all day, any day, 2:00 am* in the morning. It’s right there.<sup>12</sup>

Governor DeWine’s comments about underage online gambling were not hyperbole. A recent report by Common Sense Media found that *36% of adolescent boys age 11-17 reported*

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<sup>6</sup> Leander Schaerlaeckens, *The Guardian*, “How the Quick High of ‘Fast-Food Gambling’ Ensnared Young Men” (Jan. 31, 2025).

<sup>7</sup> *GamblingHarm*, “Trade Group Says Checking Betting App 10 Times a Day Is Normal” (Oct. 3, 2025)

<sup>8</sup> *The Wall Street Journal*, “A Psychiatrist Tried to Quit Gambling. Betting Apps Kept Her Hooked.” (Feb. 19, 2024).

<sup>9</sup> *Id.*

<sup>10</sup> “Paddy Power Founder Speaks Out about the ‘Crack Cocaine’ of Online Gambling” Irish News (Sept. 21, 2021); Capital News Service, Maryland legislature to analyze gambling expansion (Feb. 15, 2023)

<sup>11</sup> Online gambling: The stakes for public health | Harvard T.H. Chan School of Public Health

<sup>12</sup> Cleveland.com, DeWine warns Ohio iGaming proposal could put casino in every phone - increasing addiction (May 30, 2025)

**gambling** in the past year.<sup>13</sup> For boys whose friends also gamble, the prevalence rate hits 84%. This is not by accident. 60% of boys reported seeing gambling ads on YouTube and social media channels. Of boys who gambled, nearly 50% reported seeing gambling ads and videos online and 60% of those boys said that these **gambling ads “just started showing up” in their feeds** thanks to algorithmic exposure.<sup>14</sup> Clinical psychologist Michelle Chung, who sees teens who gamble in her practice, explains that online gambling is “the next wave of the mental health crisis that will happen in teenage boys.”<sup>15</sup> Jim Steyer, founder of Common Sense Media, captured the sobering reality of online gambling for boys under age 21:

I think the results of this new research are absolutely astounding, and a wake-up call for every parent everywhere . . . **The truth is, one out of three boys in this country are gambling online before they’re old enough to vote.**<sup>16</sup>

In the face of these realities, Maryland should not expand online gambling to include online casino games.

### **What Is iGaming?**

Taking a step back, many Marylanders are unfamiliar with “iGaming.” So, what is it?

- ☒ iGaming puts **a casino in the pocket of every Marylander**. It takes one of the most addictive devices ever designed – the smartphone – and adds slots and casino games
- ☒ iGaming is 24/7, constant access to non-stop gambling action
- ☒ iGaming is gambling in **isolation** – in your bathroom, bedroom, or even in your car
- ☒ iGaming is **10x more harmful** than traditional forms of gambling according to Harvard University School of Public Health
- ☒ Currently **illegal in 42 states** – since 2024, iGaming bills have been consistently rejected 24 times by other states
- ☒ iGaming is pushed by out-of-state and foreign companies that make no investment in Maryland and create no jobs
- ☒ In fact, iGaming has costs thousands of jobs in the few states that have it – over 4,000 jobs lost in Pennsylvania, 38% of union members lost their jobs in Michigan, and more

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<sup>13</sup> Common Sense Media, “Betting on Boys: Understanding Gambling Among Adolescent Boys” (Jan. 29, 2026)

<sup>14</sup> *Id.*

<sup>15</sup> *Today.com*, “Study Finds This Is How Teen Boys Are Being Lured Into Gambling” (Jan. 29, 2026)

<sup>16</sup> *Id.*

- ☒ iGaming, by law, will take all its revenue from Marylanders and then export the vast majority of its proceeds out of Maryland for the benefit of online platform providers.

The consequences of online gambling are severe:

- “Problem gambling addiction rates have reached an all-time high in the U.S.”<sup>17</sup>
- “A generation of young people – especially young men and boys – are at risk of losing their money, dignity, and livelihood, all without ever setting foot in a casino.”<sup>18</sup>
- A study by New Jersey, the first online gambling state, found that nearly 20% of 18 – 24-year-olds qualified as having a gambling problem.<sup>19</sup>
- Problem gambling helpline calls in iGaming states have skyrocketed: 378% increase in West Virginia; 320% increase in Pennsylvania; 277% increase in New Jersey; and 267% increase in Michigan.<sup>20</sup>
- Bankruptcies, debt levels, auto loan delinquencies and other financial problems all increase, especially harming families and households that are already struggling financially.<sup>21</sup>
- “A person can lose tens of thousands of dollars in minutes just by picking up their phone, placing a bet, and never having to leave the house.” Felicia Grondin, Executive Director, The Council on Compulsive Gambling of New Jersey<sup>22</sup>
- Brazil’s Central Bank reported in September 2024 that 20% of welfare funds issued by the government were being spent on online gambling.<sup>23</sup>
- Morgan State University, in a report entitled *The Impact of iGaming on African American Communities: a Public Health, Mental Health, Social and Economic Assessment* (January 30, 2025),<sup>24</sup> found that “**iGaming will cause severe public health, mental health, financial and other problems in African American communities;**”

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<sup>17</sup> *Birches Health*, Gambling Addiction Rates Hit All-Time High in U.S.(March 13, 2024)

<sup>18</sup> *Id.* (emphasis added).

<sup>19</sup> *The New York Post*, Young men face high risk for gambling addiction as sports betting surges (Jan 1,2024)

<sup>20</sup> *NJ Spotlight News*, “Surge in problem gambling in NJ – and in calls for help” (Sept. 26, 2024); *12News*, “Revenue and addiction skyrocket in 5 years since law legalizing online gambling” (Nov. 19, 2024); see National Problem Gambling Council helpline call data (PA) 2019-2024.

<sup>21</sup> Congressional Research Service, *Sports Gambling and Consumer Finance* (2024)

<sup>22</sup> *NJ101.5*, “Link between gaming and problem gambling among NJ youth” (Oct. 9, 2024)

<sup>23</sup> *iGaming Business*, “Brazil supreme court upholds ban on betting with benefits and ads targeting minors” (Nov. 15, 2024).

<sup>24</sup> *Morgan State University*. *The Impact of iGaming on African American Communities: A Public Health, Mental Health, Social, and Economic Assessment* (Jan. 30, 2025)

## **iGaming’s Faulty Premises**

The push for iGaming is based on two faulty premises. First, proponents claim that iGaming will stop or reduce illegal online gambling in Maryland. The exact opposite is true, as documented by both studies and common sense. Legalizing iGaming does nothing to shrink the illegal market<sup>25</sup> In fact, a recent study from The Campaign for Fairer Gambling and Yield Sec shows that 74% of online gambling revenue in the United States in 2024 went to illegal operators despite sports betting being legal in 38 states and iGaming in 7 states.<sup>26</sup>

Indeed, we’ve seen this movie before with online sports betting. As *The Washington Post* has 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.<sup>27</sup>

True to this experience, in the iGaming states of Pennsylvania and Michigan, the illegal market is thriving nearly 10 years after the legalization of iGaming. According to a 2026 study released by Penn State University, the percentage of Pennsylvanians gambling on illegal online sites nearly doubled from the prior year.<sup>28</sup> Similarly, in 2025, many years after legalizing iGaming, the Michigan Gaming Control Board issued more than 160 cease and desist letters to illegal online operators.<sup>29</sup> Proliferation of illegal sites is what follows from legalizing iGaming.

***Enforcement – not legalization – is the answer to the illegal market.*** We urge the Committee to focus on enhancing enforcement tools rather than perpetuating the harms of online gambling. HB 1226 and SB 625, along with HB 295 and SB 112, would do just that. Notably,

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<sup>25</sup> *The Washington Post*, “Legal sports betting was supposed to end the black market. It didn’t,” (Sept. 12, 2024)

<sup>26</sup> *Sportsbookreview.com*, “Latest Report Says 74% of Online Gambling Revenue in the US Comes from Illegal Sites” (June 17, 2025); *Campaign for Fairer Gambling*, USA National Online Gambling Marketplace (2024)

<sup>27</sup> *The Washington Post*, “Legal sports betting was supposed to end the black market. It didn’t,” (Sept. 12, 2024).

<sup>28</sup> *Penn State University*, “Online gambling participation increased in Pennsylvania in 2025, report finds” (Jan. 22, 2026)

<sup>29</sup>

the State of Maryland is currently in litigation against a new segment of illegal online sports betting – prediction markets.<sup>30</sup> The MLGC has issued a written warning to licensees in Maryland against engaging in prediction markets in this state or any other jurisdiction that has not authorized prediction market gambling.<sup>31</sup> Ironically, in contravention of this warning, multiple members of the Sports Betting Alliance, who claim to be concerned about the illegal market, have launched their own prediction market products<sup>32</sup> – the same type of product the MLGC and numerous governmental agencies or officials have considered to be unlawful gambling.<sup>33</sup> Derek Webb, founder of the Campaign for Fairer Gambling, revealed the hypocrisy and pretext behind the illegal gambling claims of iGaming proponents:

The black market is alive and well in America. Legalizing iGambling was never going to adequately weaken the illegals. But the presence of the black market has served as a useful foil – the legal gambling sector’s main rationalization for expansion.<sup>34</sup>

The second faulty premise of iGaming is that its proponents will (or even can) implement so-called safeguards to protect the public from the rampant problem gambling and social harms online gambling causes. The fact of the matter is that, whether in the few states that have iGaming or the many that have online sports betting, there are no safeguards protecting the public. On February 4, 2026, USA Today did an expose` on the substantial amount of online sports betting that is happening by thousands of minors in multiple states each year and totaling millions of dollars bet. Indeed, the report only focused on the instances being self-reported by the operators, and still the numbers were shocking. For instance, in Ohio, since 2023, ***a single operator (DraftKings) took 620 bets from minors totaling more than \$2.78 million.***

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<sup>30</sup> *KalshiEX LLC v. Martin et al.*, Case No. 1:2025cv01283 (D. Maryland).

<sup>31</sup> MLGC Notification – Involvement in Prediction Markets – Sporting Event Contracts (Nov. 19, 2025).

<sup>32</sup> *Yahoo!*, FanDuel Predicts Goes Live in All 50 U.S. States, Offers Sports in 18 (Jan. 15, 2026); *Legal Sports Report*, “DraftKings Predictions Live In 38 States” (Dec. 19, 2025); *CNBC*, “Fanatics launches prediction market in 24 states” (Dec. 3, 2025); *Nevada Independent*, “DraftKings, FanDuel agree to abandon Nevada in favor of prediction markets” (Nov. 12, 2025); *Washington Post*, “DraftKings, FanDuel split with gambling lobby, embrace prediction markets” (Nov. 19, 2025)

<sup>33</sup> *NBC News*, “Kalshi cannot operate sports-prediction market in Massachusetts, judge rules” (Jan. 20, 2026); *The Nevada Independent*, “Federal judge rules that Kalshi must stop offering prediction contracts in Nevada” (Nov. 25, 2025); *Yahoo News*, “More state regulators denounce rapidly growing prediction markets” (Dec. 11, 2025); *CNBC*, “New York AG warns about prediction markets ahead of Super Bowl” (Feb. 3, 2026); *Yahoo Sports*, “Arizona regulator reportedly set to revoke Underdog’s DFS license for prediction market involvement” (Dec. 13, 2025)

<sup>34</sup> *CDC Gaming*, “Illegal betting market dominates U.S. legal market, report suggests” (March 24, 2024)

Another report from February 13, 2026, revealed that BetMGM in Massachusetts sent gambling promotions to over 3,800 recipients who were under 21 years of age. Moreover, the company could not confirm the age of another 37,632 recipients. These are the safeguards the online companies are promising Maryland for iGaming? The only real safeguard is to reject iGaming.

Actual experience in states with iGaming flatly debunks proponents' claims of safeguards. In both Pennsylvania and New Jersey, prevalence rates for problem gambling are over 3x the national average.<sup>35</sup> Looking specifically at Pennsylvania, the state has seen dramatic increases in problem gambling issues since the launch of iGaming. National Problem Gambling Council Helpline *data shows a 320% increase* in the average calls from Pennsylvania from iGaming's launch in 2019 through 2024. In the 2023-2024 period, *treatment intake calls increased 115% and 50% of intake calls mentioned online gambling* as the individual's most problematic form of gambling.<sup>36</sup>

Further, according to a 2024 online gambling prevalence study conducted by Penn State University, 37% of people who engaged exclusively in online gambling were considered pathological gamblers. Additionally, over 43% of people who participated in some level of online gambling suffered from at least one problem gambling indicator, nearly 3x greater than individuals who exclusively gamble offline.<sup>37</sup>

Even worse than the illusory "safeguards," according to multiple news reports, *proponents of online gambling have fought to quash regulations* that would impose some measure of actual consumer protection and have brought to America practices that countries, like the United Kingdom, deemed unsafe. For example:

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<sup>35</sup> Rutgers University School of Social Work, "Prevalence of Problem Gambling in New Jersey" (2023). Pennsylvania Department of Drug and Alcohol Programs / PSU, "2025 Pennsylvania Interactive Gaming Assessment" (2025)

<sup>36</sup> *The Pennsylvania State University*, Interactive gaming assessment online gambling report (2024),

<sup>37</sup> *Id.*

- “In Virginia, the report states that both Caesars and DraftKings *lobbied against* a proposed rule in 2021 requiring platforms to include *game designs that promote breaks in play and avoidance of excessive play.*”<sup>38</sup>
- “Online gambling giants conquer U.S. with tactics deemed too tough for Britain. Amid a U.S. boom in betting online, the European companies behind FanDuel and BetMGM are *using features in America that they dropped in Britain after acknowledging them as risks to gamblers.*”<sup>39</sup>
- Online “gambling firms have fanned out across the US, *lobbying an array of state capitals against consumer protections that experts say could help reduce addiction-related harms,* according to a non-profit watchdog” the Campaign for Accountability.<sup>40</sup>
- The Sports Betting Alliance is opposing pending bipartisan legislation in Colorado to prohibit gambling on a credit card, limit TV commercials, and stop push notifications related to online sports betting.<sup>41</sup>

### **iGaming is Not a Revenue Fix for the State**

There is a not a dollar amount that outweighs the harm that iGaming would inflict on Maryland. Nonetheless, even if one considers the tax revenue question, a thorough economic analysis shows that iGaming will not be a revenue fix for the state. The real question is what is the net, incremental tax revenue to the State from iGaming? The net gain is calculated only *after* deductions for cannibalization of brick and mortar gaming taxes, *after* deductions for lost hotel, restaurant and entertainment tax revenues from lost foot traffic, *after* lost tax revenues stemming from significant job losses caused by iGaming, *after* lost tax revenue from reductions in casino purchases from small businesses and suppliers, and *after* deductions for the major increases in social costs related to increased problem gambling, bankruptcies, welfare, health care costs, homelessness and criminal justice impacts. **This comprehensive picture – which is not considered in a fiscal note – reveals that iGaming will not produce any material net tax revenue for the State.**

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<sup>38</sup> *The Guardian*, “US Gambling Firms Fight Protections Meant to Reduce Addiction-Related Harms, Watchdog Warns” (Apr. 15, 2025).

<sup>39</sup> *Reuters*, “Online Gambling giants Conquer US with Tactics Deemed Too Tough for Britain” (July 3, 2024).

<sup>40</sup> *The Guardian*, “US Gambling Firms Fight Protections Meant to Reduce Addiction-Related Harms, Watchdog Warns” (Apr. 15, 2025).

<sup>41</sup> *Gambling911.com*, “Colorado the Latest State Looking to End the Use of Credit Card Deposits for Sports Betting” (Feb. 26, 2026)

The Innovation Group, an internationally renowned research and advisory firm in the gaming, hospitality, leisure and tourism sectors, which previously worked for the MLGCA on this issue in 2023, conduct just this type of rigorous economic analysis of iGaming. The Innovation Group’s study, *Economic Impacts of iGaming Expansion* (February 2025),<sup>42</sup> shows that iGaming on a net basis is a losing bet for Maryland, including:

- **16% cannibalization** of Maryland casino revenues, resulting in approximately **\$130 million/year in lost gaming taxes** that currently support education;
- More than **1,600 lost jobs** suffered by casino workers, **many of them union members**, and other workers supporting brick and mortar gaming facilities;
- Up to **\$120 million/year in lost labor income** for Marylander workers and their families;
- Nearly **\$100 million/year in lost non-gaming taxes** stemming from the lost jobs and negative economic ripple effects throughout the Commonwealth’s economy;
- Reduced investment, development and community reinvestment from casinos; and
- Over **\$410 million/year** in lost GDP for the state.

In sum, The Innovation Group concluded that Maryland should **only expect \$19 million/year** in net tax benefits from iGaming – and that’s **before** taking into account the increased social costs. Maryland could suffer **\$235 million** in social costs annually based on research out of New Jersey on iGaming’s harms.<sup>43</sup> The state could easily end up in the red. While not providing any financial help, iGaming presents real financial risk for the State and its gaming industry. With its harmful impacts on casino employees, their casino employers and reinvestment in brick and mortar casino properties, a leading gaming industry writer has concluded that “iGaming is part of a vicious cycle of decline in [New Jersey].”<sup>44</sup>

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<sup>42</sup> National Association Against iGaming, *Economic Impacts of iGaming Expansion* (Feb. 2025).

<sup>43</sup> *Economic Assessment of iGambling in New Jersey*, NERA Economic Consulting (Nov. 9, 2023) figures pro-rated for Maryland.

<sup>44</sup> *CDC Gaming*, “iGaming is part of a vicious cycle of decline in Atlantic City” (Oct. 20, 2024).

## **Conclusion**

The authors of *Smartphone Gambling is a Disaster* offer this tidbit, which epitomizes the need to reject iGaming: iGaming enables bettors to “***gamble as fast as their thumbs can move,***” and most games feature ***autoplay***, “***so users can keep the online slot machine spinning as they sleep.***”<sup>45</sup> An online industry that enables gamblers to keep betting even while they sleep shows they have no bounds and have no place in Maryland.

Only seven states have active iGaming. ***42 states have not authorized it.*** Maryland has a full plate of priorities for its gambling industry – reining in online sports betting, authorizing and conducting a mobile betting prevalence study, analyzing and acting upon the findings of that study, encouraging new investment, job creation, economic development and growth in its brick-and-mortar industry, and more. For a myriad of reasons, iGaming should not be one of those priorities. We respectfully urge no favorable report on SB 761.

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<sup>45</sup> *Id.*