



**Written Testimony in FAVOR of SB-639**

**Submitted by Chris Russell**

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Chairman Guzzone, Vice-Chairman Rosapepe, and fellow distinguished members of this committee, thank you for the opportunity to submit this written testimony today in support of Senate Bill 639, which would modernize Maryland's gaming laws to allow regulated wagering on historical horse races at licensed facilities, subject to voter approval.

My name is Chris Russell, and I am a government relations and public affairs professional with years of experience working on behalf of prominent gaming companies to pass laws that have expanded legal and regulated gaming beyond brick-and-mortar casinos, most notably the expansion of regulated iGaming in Pennsylvania and Michigan.

And, in each case one thing I've learned is that the surest bet any gambler could ever make is that whenever gaming innovation happens outside the four walls of a brick-and-mortar casino, warnings about cannibalization won't be far behind. Yet no matter how many times we're told the sky is about to fall, the measurable data shows it's still firmly in place.

In each of the states I have worked in support of gaming expansion, I have been tasked with developing messaging to counter and neutralize fearmongering around cannibalization. In each of those cases, the facts are clear and repeatable: innovation has grown the overall gaming pie rather than hollowing out traditional play.

It happened in New Jersey.

Opponents warned that regulated iGaming would destroy brick-and-mortar casinos. In reality, iGaming stabilized and saved Atlantic City's casinos, and today total gaming revenue has reached record levels, with properties investing in upgrades and expansion.

It happened in Pennsylvania.

In 2024, total combined gaming revenue exceeded \$6 billion for the first time, up 7.7% from the previous year — again showing that innovation added to the market rather than taking away from retail casinos.

Now, I know skeptics will say iGaming and HHR are not the same. HHR is tied to a physical location and is a more direct substitute for existing casino play, so they argue the risk of cannibalization is larger. Fair enough — let's look at a state where HHR and slot play coexist.

Your neighboring state of Virginia, for example.

There, state data aggregated from regulator reports show that HHR units grew from roughly 2,800 units to nearly 4,500, and revenue from HHR grew from \$367 million to \$448 million, while casino slot revenue increased from \$380 million to \$533 million at the same time. In 2025, total adjusted gaming revenue in Virginia casinos reached nearly \$1 billion, up over 30% year-over-year.

I could cite several more examples, but the point is the same: cannibalization is a myth.

But don't just take my word for it. Even respected operators within the gaming industry itself have acknowledged this reality: BetMGM's CEO has said that fears of retail-to-digital cannibalization are "totally overstated" and that long-term trends in states with iGaming have shown traditional casinos largely continue business as usual.

Likewise, executives at Boyd Gaming have noted that online and land-based operations have been complementary rather than destructive to each other's business.

These comments — alongside the real state revenue data we've discussed — underscore a key point: regulated innovation like HHR can expand the market, attract new customers, and support jobs and tax revenue rather than simply cannibalize the existing casino sector.

In closing, the evidence — both empirical and industry-based — shows that new forms of regulated gaming do not inevitably destroy existing markets. In fact, it's the exact opposite.

Thank you for your time.