

Testimony of The Cordish Companies and Live! Casino Hotel Maryland
Presented by Mark Stewart, General Counsel
In SUPPORT of HB 295

Budget and Taxation Committee Hearing

April 1, 2026

Dear Chairman Guzzone and Members of the Committee:

On behalf of The Cordish Companies and Live! Casino & Hotel Maryland, we respectfully submit this testimony **in support** of HB 295 and urge a favorable report.

Live! Casino & Hotel Maryland has long been a cornerstone of Maryland's gaming and hospitality industry since opening in 2012. We employ approximately 2,700 team members and support an additional 5,100 indirect jobs across the State. We contribute roughly \$350 million in taxes to Maryland each year and have invested more than \$1.1 billion in our facility over the past decade. We are also part of the wider Cordish Gaming Group, the only national casino operator headquartered in the State of Maryland.

Illegal online gambling is a serious problem in Maryland that directly threatens the regulated gaming system. Unlicensed operators continue to target Maryland residents while operating outside the State's legal and regulatory framework. These platforms offer casino style games without oversight, consumer protection, or accountability.

We appreciate the opportunity to work and support the Maryland Lottery and Gaming Control Agency on this important legislation. HB 295 moves in the right direction by directly targeting illegal online gaming activity within the State and helping Maryland more effectively address it.

HB 295 is a more effective policy approach than proposals that have suggested legalizing iGaming as a way to eliminate the illegal market. Data from jurisdictions across the country and around the world consistently shows that the legalization of online casino gaming does not eliminate illegal operators. In many cases, the illegal market thrives alongside the legal market. Expansion is not a substitute for enforcement.

Targeted enforcement measures such as those advanced in HB 295 are a more practical way to address illegal online activity. We would also support additional legislative efforts that go further by establishing clear enforcement mechanisms for those individuals or entities that market illegal platforms or facilitate unlawful gaming transactions within the State.

HB 295 does not stand alone. Together with HB 1226 and SB 635, it forms a comprehensive approach to addressing illegal online gambling in Maryland. Each measure plays a distinct and complementary role in strengthening enforcement, closing loopholes, and ensuring that bad actors cannot continue to operate.

Taken as a whole, these bills send a clear message that Maryland is serious about protecting consumers and holding illegal online operators accountable. Our written testimony in support of HB 1226 is enclosed for your reference.

For these reasons, we respectfully urge a **favorable** report on HB 295.

Thank you for your time and consideration.

Testimony of The Cordish Companies and Live! Casino Hotel Maryland

Presented by Mark Stewart, General Counsel

In SUPPORT of HB 1226

Budget and Taxation Committee Hearing

March 31, 2026

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony **in support** of HB 1226, which would enact the Maryland Illegal Online Gambling Enforcement Act and bolster the State's enforcement efforts against illegal online gambling. We appreciate the Budget and Taxation Committee's attention to the growing issue of illegal online gambling and the need to ensure that Maryland's laws are effectively enforced.

Background on the Illegal Online Gambling Market

Illegal and unregulated online gambling is a significant and ongoing reality across the United States. The American Gaming Association's August 2025 report estimates that, nationally, gambling on illegal online slots and table games is substantial, and accounts for billions of dollars annually in state gaming tax revenue loss. This activity is occurring through websites and mobile platforms that accept wagers from U.S. residents without holding a U.S. state issued gaming license.

Concerns about the scope and impact of offshore operators have also been raised by a bipartisan coalition of state attorneys general. In an August 5, 2025, letter to the U.S. Department of Justice—signed by Maryland Attorney General Anthony Brown and attorneys general from across the country—the group requested coordinated enforcement efforts to address illegal offshore gaming operations. The letter describes operators that function without proper licensure, evade taxation, fail to verify age, and undercut regulated markets. A copy of the letter is enclosed with this testimony.

Importantly, the attorneys general urged use of enforcement tools such as website seizures, injunctions, asset forfeiture, and cooperation with financial institutions to block unlawful transactions. While their letter focused on federal enforcement authority, the underlying enforcement strategies it endorses—disrupting illegal operators' access to payment systems, digital infrastructure, and U.S. consumers—are directly relevant at the state level.

The Maryland Illegal Online Gambling Enforcement Act seizes on those same core strategies and implements them within Maryland's own enforcement framework. Rather than relying solely on federal action, the bill equips Maryland authorities with state-level civil tools designed to disrupt illegal operators' ability to market, host, and monetize their activities in this State.

Legislative Approaches in Other States

Maryland is not alone in examining legislative tools to address illegal online gambling. In 2025, several states enacted or advanced legislation aimed at banning and more effectively enforcing against illegal online sweepstakes and similar gaming models.

For example:

- New York (Senate Bill 5935) adopted legislation that not only prohibits operating or promoting illegal online sweepstakes games, but also extends potential liability to those who “support” such operations, including financial institutions, payment processors, geolocation providers, gaming content suppliers, platform providers, media affiliates, investors, and board members.
- California (Assembly Bill 831) similarly included geolocation providers, gaming content suppliers, platform providers, and media affiliates within the scope of potential liability for supporting illegal online gaming.
- Other states, including Nevada, Montana, and New Jersey, have adopted enhanced penalty structures, forfeiture provisions, and jurisdictional clarifications to strengthen enforcement tools.

A common theme across these measures is recognition that illegal online operators often rely on a network of third-party service providers—payment processors, hosting companies, content suppliers, and advertisers—to reach consumers and process transactions. By addressing not only the operator but also those who knowingly facilitate the operation, states have sought to create more effective enforcement mechanisms.

These examples demonstrate that states are experimenting with a range of civil and criminal tools to respond to illegal online gambling activity, and that HB 1226 fits within a broader national policy conversation.

Maryland Law and the Purpose of This Bill

Online gambling that is not expressly authorized under Maryland law is already illegal. However, many illegal online gambling operators are located offshore or otherwise beyond the easy reach of traditional criminal enforcement.

As the multistate attorneys general letter underscores, offshore operators are often structured to evade direct enforcement and operate across jurisdictions. That reality presents practical challenges for state-level prosecution.

HB 1226 is designed to strengthen Maryland’s ability to respond using tools that are familiar in the consumer protection context. Rather than relying solely on criminal prosecution of distant operators, the bill focuses on disrupting the ecosystem that allows illegal online gambling to function.

Specifically, the bill empowers the Attorney General to take action to impact illegal operators' ability to:

1. Market to and attract Maryland consumers – by authorizing cease and desist notices and enforcement against those who promote illegal online gambling.
2. Prop up websites and digital platforms – by enabling action directed at platform providers and others who host, transmit, or otherwise facilitate access to illegal gambling websites.
3. Receive payment from consumers – by prohibiting financial transaction providers from knowingly processing payments in connection with illegal online gambling and by authorizing enforcement measures against those who continue to facilitate such transactions.

These approaches mirror the enforcement strategies endorsed by the coalition of attorneys general—targeting websites, financial flows, and supporting infrastructure—but apply them through Maryland's own statutory authority.

Importantly, the bill does not alter or affect gaming activities that are expressly authorized and regulated under Maryland law. Instead, it is designed to ensure that the State has practical, enforceable mechanisms to address activity that is already unlawful.

Key Provisions of the Maryland Illegal Online Gambling Enforcement Act

The Maryland Illegal Online Gambling Enforcement Act applies to (1) operators that offer illegal online gambling to individuals located in Maryland and (2) individuals and entities that promote or provide support to operators of illegal online gambling (for example, financial institutions, platform providers, gaming content providers, promoters, media affiliates, and endorsers).

- The Attorney General or other prosecuting attorney is empowered to:
 - Issue cease-and-desist notices to violators.
 - Seek temporary or permanent injunctions to restrain illegal conduct.
 - Maintain a public list of offending websites.
- Operators offering illegal online gambling can be fined \$50,000 for the first violation and \$100,000 for each subsequent violation.
 - Each illegal wager or promotion is treated as a separate violation.
 - Penalties include possible imprisonment up to three years and forfeiture of profits.
- Supporters of illegal online gambling (e.g., banks, advertisers, platforms) can be fined \$25,000 fine for the first violation and \$50,000 for each subsequent violation. Each act of support constitutes a separate violation.

- Financial institutions are prohibited from processing payments related to illegal online gambling.
- Platform providers are prohibited from hosting or transmitting illegal gambling content and must verify operator licensure before hosting advertisements.
- Financial institutions and platform providers may block or refuse transactions or transmissions without liability.
- Courts may issue injunctions to:
 - Remove or disable access to illegal gambling websites.
 - Freeze associated bank or credit accounts.
 - Stop payment processing or advertising support.
- Violation of an order against a supporter of illegal online gambling results in a fine of \$50,000 for the first offense and \$100,000 for each subsequent violation.
- Out-of-state violators targeting Maryland residents are subject to Maryland jurisdiction.
- The Maryland Attorney General is authorized to adopt rules, regulations, and standards for enforcement.

Conclusion

HB 1226 is a needed and important measure to enhance enforcement against illegal online operators, and those who would enable them, and to protect Marylanders. Contrary to the claims of some, legalizing more online gambling does not shrink or stop the illegal market.¹ Indeed, just the opposite is the case – the illegal market thrives and grows.² Enforcement against illegal activities, not sanctioning them, is sound policy. We respectfully urge a favorable report on HB 1226.

¹ *The Washington Post*, “Legal sports betting was supposed to end the black market. It didn’t,” (Sept. 12, 2024); <https://cdn.sanity.io/files/42ezp3kj/production/3c51bcc5f56e9f4e49be0d36910c0db943805877.pdf>; *Sportsbookreview.com*, “Latest Report Says 74% of Online Gambling Revenue in the US Comes from Illegal Sites” (June 17, 2025); https://www.fairergambling.com/wp-content/uploads/2025/04/GYS_Y_S_CFG-REPORT_USA-NATIONAL-2024_04.08.2025_FINAL_NO-EM.pdf.

² In Pennsylvania, which has both online sports betting and iGaming, participation in the illegal market nearly doubled year over year, according to a new study by Penn State University. <https://www.pa.gov/content/dam/copapwp-pagov/en/ddap/documents/documents/agency-reports/interactive-gaming-reports/psu-2025-online-gambling-report.pdf>