

HHR Testimony.pdf

Uploaded by: Alyse Cohen

Position: FAV

Long Shot's

Alyse L. Cohen – Managing Member
PO Box 278 Monrovia, MD 21770-0278
301-865-0605

Chair, Vice Chair, and members of the committee, thank you for your time.

My name is Alyse Cohen, and I am the owner of Long Shot's OTB and Sportsbook in Frederick, Maryland. I am here today in an effort to save my business.

It is well known that OTBs across our state—including Long Shot's—are down nearly 40% over the past several years. We are on the brink of collapse. Yet, we do not want to shutter. We want to continue to operate—and more importantly, to thrive.

Historical Horse Racing, or HHR, is the best proven solution to preserving not only the OTB framework, but also Maryland's horse racing industry—just as it has done in eight other states. In fact, Churchill Downs, Live! and many others have publicly touted the success of HHR in strengthening racing markets and generating critical revenue to sustain the industry.

I grew up on a farm in Frederick County. My family has been part of Maryland horse racing for three generations. Some of my earliest memories are of going to our local OTB, the Cracked Claw, enjoying chocolate sundaes, and watching our horses run.

Horse racing is not just what we do- it is who we are.

We do not want Maryland to lose an essential part of its agricultural identity due to a lack of innovation.

OTBs want to be part of the solution. Historic Horse Racing has the potential—with 5,000 machines across the state—to generate up to \$100 million in new state tax revenue annually. The adoption of HHR would help address shortfalls in horse racing purses, the Blueprint for Maryland's Future Fund, declining lottery revenues, and other critical initiatives—without raising taxes and without asking the state for one additional dollar.

We want to save our businesses and contribute meaningfully to our great state at the same time.

My fellow OTB owners and gaming experts will speak to the revenue currently lost to neighboring states, the minimal risk of cannibalization to casino slot revenues, and the many other merits of this bill. But, I am here simply as a long-time horseman and OTB owner asking the committee to help save my business.

Thank you for your consideration.

SB639.Cline.2.13.26.pdf

Uploaded by: Amanda Brooks

Position: FAV



BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY, MARYLAND

February 13, 2026

The Honorable Senator Paul Corderman
403 James Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: Senate Bill 639

Dear Senator Corderman,

Please accept this letter as a recommendation of my support for Senate Bill 639 and Boonsboro OTB and Chesapeake Gaming LLC.

Improvements and upgrades to technology to SB639 would significantly add revenue to our tax base and would spark prosperity to a struggling OTB Market.

It would also spark additional employment and investment into entertainment and hospitality.

Senate Bill 639 is a historic initiative for sport wagering in the Horse Racing Industry and game changer for all involved.

Respectfully,

Jeffrey A. Cline
Vice President,
Washington County Commissioner
P: (301) 331-0383

Jeffrey A. Cline, Vice President

100 West Washington Street, Suite 1101 | Hagerstown, MD 21740 | P: 240.313.2200 | F: 240.313.2201 | C: 301.331.0383
Hearing Impaired: 7-1-1

WWW.WASHCO-MD.NET

SB 639 Richie comments updated.pdf

Uploaded by: Antonio Jones

Position: FAV

CHESAPEAKE GAMING, LLC

February 23, 2026

Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee:

On behalf of Chesapeake Gaming, a proud woman-owned sports and entertainment venue serving Boonsboro and Washington County, I respectfully submit this testimony in strong support of **Senate Bill 639**. This legislation is essential to preserving Maryland's legacy gaming facilities, protecting jobs, and preventing the continued loss of revenue to neighboring states.

Chesapeake Gaming is more than a business to us. My mother and I started this company together. We built it from the ground up, invested our own resources, and poured our hearts into creating a responsible, community-centered venue that supports local jobs and Maryland racing. Today, despite our efforts, the business is on the brink of closure. Without a modern technology upgrade through Historical Horse Racing (HHR), we do not have a viable path forward. This legislation is not about expansion for expansion's sake; it is about survival. HHR will save our business.

SB 639 is also a jobs bill. Authorization of HHR would allow Chesapeake Gaming to provide 100 new permanent jobs, all utilizing union labor. These are stable, local jobs that would otherwise be lost. Without the passage of SB 639, Chesapeake Gaming will be forced to close, resulting in job losses and reduced economic activity in the surrounding community.

From the State's perspective, this bill delivers significant upside with no public investment. SB 639 is projected to generate approximately \$100 million in new State tax revenue, benefiting the Blueprint for Maryland's Future, local impact grants, and other State priorities, without requiring the State to invest a single dollar. At the same time, Maryland is currently losing an estimated \$40 million annually in gaming revenue to West Virginia, Pennsylvania, and Virginia — a figure that will continue to grow with the potential opening of the new casino in Tysons, Virginia. SB 639 allows Maryland to compete and keep those dollars at home.

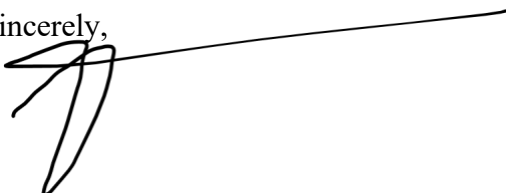
In short, SB 639 protects jobs, generates new revenue, stabilizes the racing and OTB industry, and stops the outflow of Maryland gaming dollars to surrounding states. It is a responsible, data-backed modernization that ensures Maryland does not fall further behind regional competitors.

For our family, this is deeply personal. We built Chesapeake Gaming together. We want to continue serving our community, employing local workers, and supporting Maryland racing for years to come. This technology upgrade is the bridge that allows us to do that.

For these reasons, Chesapeake Gaming respectfully urges the Committee to issue a favorable report on Senate Bill 639.

Thank you for your time and consideration.

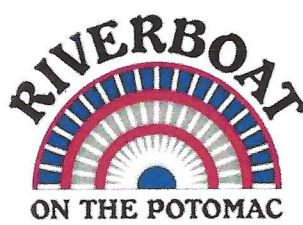
Sincerely,

A handwritten signature in black ink, consisting of a stylized, cursive name that is difficult to decipher. The signature is written over a horizontal line that extends across the width of the signature.

SB-0639 HHR Hearing Testimony 02-25-2026.pdf

Uploaded by: Antonio Jones

Position: FAV



301 Beach Terrace • Colonial Beach, VA 22443 • 804.224.7055
www.riverboat.net

Date: February 25, 2026
To: Budget & Taxation Committee
From: Riverboat on the Potomac

Subj: Favorable Testimony for Historical Horse Racing SB-0639:

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and esteemed members of the Budget and Taxation Committee. I am Antonio Jones, Managing Partner of Riverboat on the Potomac, where we proudly own a retail sportsbook facility and mobile app license.

Four years ago, during the 445th General Assembly Legislative session, we came before you as passionate entrepreneurs eager to contribute to the sports wagering industry. Our vision was clear: to create generational wealth while opening doors for others to follow. We did not set out to be pioneers; rather, we embraced the opportunity presented to us.

Today, we are here to seek your support for SB-0639 (HHR). I must mention that minority participation was a critical component in the successful passage of the gaming sports wagering legislation in 2022.

Minority Business Enterprises (MBEs) have become a vital part of Maryland's gaming sports wagering industry, providing sustainable tax revenue from within the state and from neighboring areas. The presence of MBEs in gaming benefits all stakeholders and does not adversely affect the revenue of other Maryland gaming sports wagering operations. The graphics behind me reflect the last 3 fiscal years of retail sportsbook handle of Class A-1 casino participants, when compared to Class B-2 Off-Track Betting (OTB) facilities. The data in this graphic is drawn from monthly MLGCA handle and taxable revenue reports over the past 3 fiscal years (see attached Handle graph).

At Riverboat on the Potomac, we continuously seek avenues to incorporate new and innovative technology into our operations to achieve three pivotal goals:

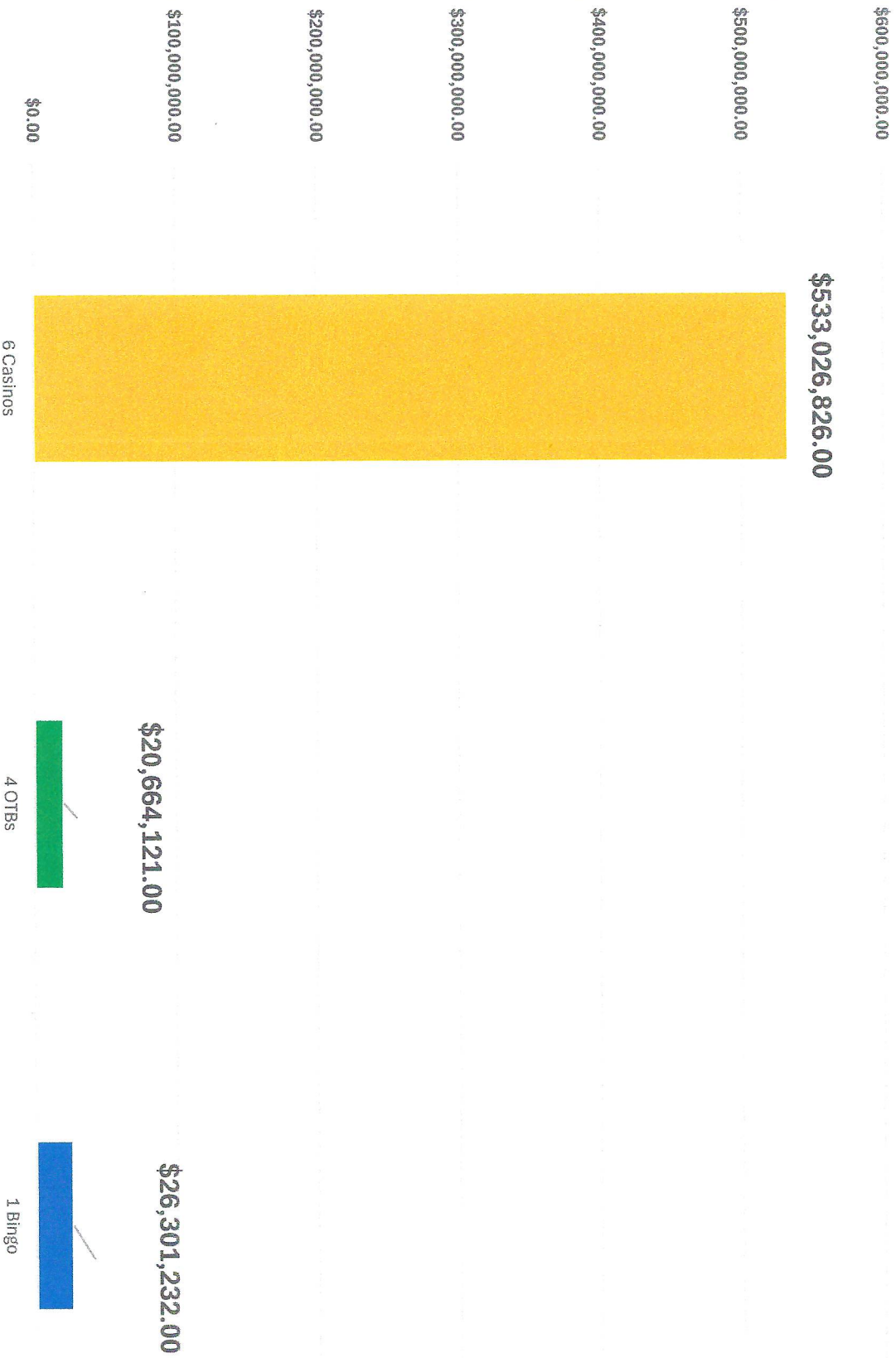
- Modernization of our facility to sustain operations and increase revenue.
- Continuous enhancement of our customer experience, especially during our busy summer beach season.
- Address the community's repeated requests for more gaming activities since the introduction of sports wagering.

We respectfully request your favorable consideration of SB-0639, as it is a critical lifeline for the OTB facilities' continued operations.

Regards,

Antonio Jones, Managing Partner,
Riverboat on-the-Potomac

Percentage based on Total Handle (retail) from
FY 2023 to 2025



6 Casinos 4 OTBs 1 Bingo

HHR One Pager FF Edits.pdf

Uploaded by: C. William Frick

Position: FAV

HISTORICAL HORSE RACING AUTHORIZATION SB639 / HB1240

WHAT HHR IS

Historical Horse Racing (HHR) is a form of pari-mutuel wagering occurring in 8 other states.

HHR Machines allow players to wager on previously-run US horse races using a modern slots-style gaming interface.

Players can manually select order of finish using anonymized information about horses, trainers and jockeys or can use auto-handicap “quick pick” for fast play.

- Protections ensure that players cannot identify specific races or horses for an unfair advantage.

HHR prizes come from a pool built up from player bets (parimutuel) instead of playing against the house.

WHY THIS MATTERS

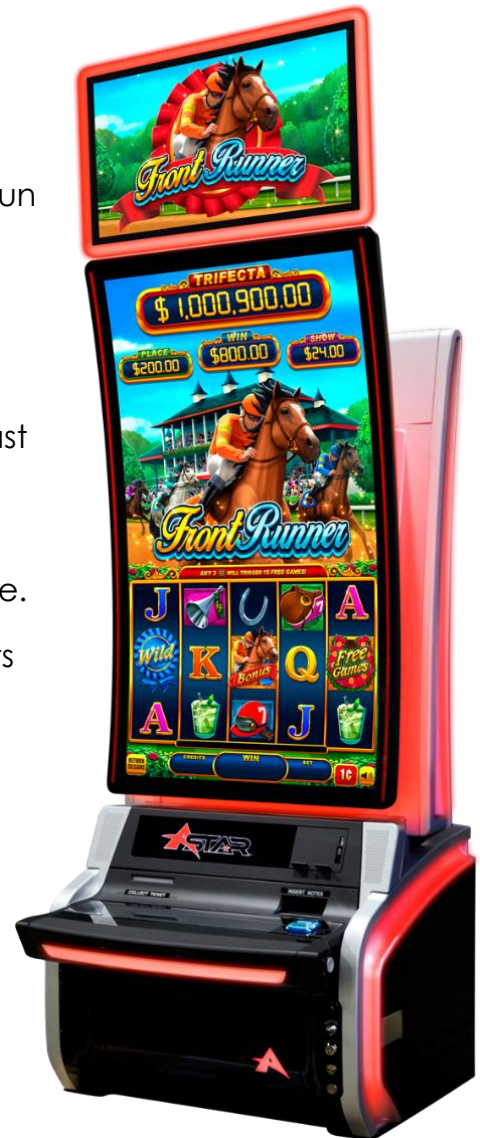
Maryland's longstanding off-track betting parlors (OTBs) are dying due to introduction of casinos and mobile sports wagering.

HHR lets OTBs deploy horse racing's rich history in a modern, fun, accessible format.

OTB sites are already gaming sites, this is just a variation on the types allowed already.

OTB sites are in Frederick, Washington Co., and Southern MD/VA, where gaming is being lost to out-of-state casinos. OTBs will not compete with Maryland casino sites.

Substantial new revenues to help fund the Blueprint.



MD Lottery Testimony SB639

Uploaded by: Jennifer Beskid, EdD

Position: FAV

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



Montgomery Park Business Center
1800 Washington Blvd., Ste. 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

DATE: February 24, 2026
BILL NO: Senate Bill 639
BILL TITLE: Sports Wagering – Wagers on Historical Horse Races – Authorization
COMMITTEE: Senate Budget and Taxation
POSITION: Information

The Maryland Lottery and Gaming Control Agency (Agency) provides the following information regarding Senate Bill 639, Sports Wagering – Wagers on Historical Horse Races – Authorization.

Bill Summary:

SB 639 proposes adding language to State Government (SG) Article § 9-1E-01 that would alter the definition of a sporting event to specify that except as otherwise prohibited, sports wagering now includes “live” horse racing held in or out of the State. It would also add a definition of “historical horse race” to the statute.

SB 639 would allow exceptions under SG § 9-1E-09 (F) that would authorize a sports wagering facility licensee to accept wagers on past horse races using Historical Horse Racing (HHR) devices that look and play like a VLT (slot machine) by individuals who are physically present at either a thoroughbred or standardbred race course that holds a Class A-2 sports wagering facility license, an entity at the Maryland State Fairgrounds in Timonium, or a satellite simulcast facility (Off-Track Betting (OTB) facility). SB 639 would prohibit a sports wagering licensee or a mobile sports wagering licensee from accepting wagers on historical horse races under certain conditions.

Finally, SB 639 would add a new section, SG § 9–1E–09.1, that would apply only to a sports wagering facility licensee authorized to offer wagering on historical horse racing in accordance with SB § 9–1E–09.

Background:

This bill would permit HHR devices using a modified pari-mutuel system. In a traditional pari-mutuel system, all players must wager on the same race to contribute to a common betting pool. The modified system utilized by HHR allows individual players to bet on different historical races while still maintaining the pooled wagering structure. Here’s how it works according to industry information:

1. Pooled Wagering Without a Shared Race

- Unlike live pari-mutuel racing, where all bettors wager on the same race before post time, HHR systems use a **"synthetic" pari-mutuel pool**.

- Players at different terminals can be assigned different historical races, but their bets are still aggregated into a shared **pari-mutuel pool**.
- The key is that winnings are paid out based on the pari-mutuel formula, not a fixed payable like a slot machine.

2. How Does Pooled Wagering Maintain Pari-Mutuel Integrity?

- HHR operators ensure that enough wagers are placed across various races to simulate a true pari-mutuel pool.
- Even if different players are betting on different races, the wagering system groups bets into categories (e.g., Win, Place, Show) and calculates payouts accordingly.
- Regulatory frameworks often require a minimum number of wagers in the pool to maintain pari-mutuel status.

3. The Workaround: Seeded Pools & Aggregate Betting

- To function as pari-mutuel, HHR machines may use seeded pools or aggregate multiple player bets into a common system.
- Even if players bet on different races, their money goes into a collective pool that determines payouts based on pari-mutuel mechanics.

Rationale:

This bill proposes a new type of slot-machine-like gaming device that the Agency believes is an expansion of commercial gaming. In a letter of advice from the Attorney General of Maryland, dated March 15, 2010, it was determined that **authorizing a facility to accept wagers on historical horse races under the circumstances described would constitute commercial gaming and therefore be subject to the referendum requirement.**

Additionally, there are several concerns regarding how such a program could be implemented.

- The HHR operators at a sports wagering facility licensee that is not a video lottery operator retains 60% of the proceeds from these gaming devices.
- This allows a select group of sports wagering licensees to offer something different than all the other licensees, even those that paid a significantly higher license fee.
- If these devices are classified as sports wagering, it is likely that operators would be required to pay federal excise taxes on all wagers.
- The current 15% sports wagering tax is significantly less than the 42% to 58% taxes paid on VLT revenues, even though the devices are designed to look and play like a VLT.
- It is unclear if promotional play would be permitted and deductible from the amount retained by the operator.

Furthermore, to the extent that players choose HHR devices instead of going to a Video Lottery Facility, the State's share of revenue generated drops from between 42% - 58% to just 15%. The Agency is unable to determine the potential impact on casino gaming revenue if players start to migrate away from traditional VLTs at the casinos, with the much higher tax rate. We ask that you consider this information as you debate SB 639.

SB 639 FAV FCG OCE LS26.pdf

Uploaded by: Jessica Fitzwater

Position: FAV



FREDERICK COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Jessica Fitzwater
County Executive

SB 639 – Sports Wagering - Wagers on Historical Horse Races - Authorization

DATE: February 25, 2026
COMMITTEE: Senate Budget and Taxation Committee
POSITION: Favorable
FROM: The Office of County Executive Jessica Fitzwater

As Frederick County Executive, I urge the committee to give **SB 639 – Sports Wagering - Wagers on Historical Horse Races - Authorization** a favorable report.

This bill will introduce historic horse racing as a sporting event for off-track betting (OTB) facilities, such as at Long Shot's in Frederick County. This proposal aims to offer economic opportunities while preserving the county's agricultural and equestrian heritage.

Frederick County has long been a hub for Maryland's horse racing industry, which is deeply intertwined with our agricultural roots. This proposal builds off that tradition to leverage economic opportunity for our growing community.

Adding historic horse racing could revitalize the commercial area around Frederick Francis Scott Key Mall by attracting more visitors, generating new jobs, and creating a sustainable business environment that benefits not only the local economy but also the entire county.

Thank you for your consideration of SB 639. I urge you to advance this bill with a favorable report.

Jessica Fitzwater, County Executive
Frederick County, MD

SB 0639 Riverboat Maruthi.pdf

Uploaded by: Maruthi Prasad

Position: FAV



4001 Beach Terrace • Colonial Beach, VA 22443 • 804.224.7055
www.riverboatonthepotomac.com

February 23, 2026

Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Senate Budget and Taxation Committee,

My name is Maruthi Prasad, and I serve as the Managing Partner of Riverboat on the Potomac, a 100% Minority Business Enterprise (MBE) gaming and entertainment facility that has proudly operated in Maryland for three decades. I write to express my strong support for Senate Bill 0639, which would authorize certain sports wagering facilities, including ours, to accept wagers on historical horse races.

As a minority-owned business that has played a vital role in Maryland's gaming and entertainment industry, Riverboat on the Potomac has consistently worked to provide an engaging and responsible gaming experience while contributing to the local economy. However, our facility has experienced a significant decline in revenue, particularly due to the evolving gaming landscape and changing consumer preferences. Despite the expansion of sports wagering in the state, retail sportsbooks have not met revenue expectations, underscoring the need for additional gaming options to sustain our operations.

The authorization of Historical Horse Racing (HHR) machines at our Off-Track Betting (OTB) facility would provide a critical opportunity to generate new revenue, increase foot traffic, and attract a broader customer base. Many of our patrons frequently inquire about horse racing terminals, only to be disappointed when we inform them that we do not offer them. SB 0639 would allow us to fill this gap, creating a more comprehensive and competitive gaming experience while ensuring that Maryland remains on par with neighboring states that have already embraced similar gaming expansions.

Furthermore, Riverboat on the Potomac is uniquely positioned to capture out-of-state gaming dollars, particularly from Virginia residents who visit our facility. Unlike other gaming establishments that primarily draw from in-state customers, our location provides Maryland with a distinct advantage by generating revenue from non-residents, thereby benefiting the state's economy without increasing the tax burden on Maryland citizens.

Riverboat on the Potomac has a longstanding record of compliance with gaming regulations and responsible horse-racing simulcasting. The introduction of HHR machines would be a natural extension of our existing operations, further strengthening Maryland's competitive standing in the gaming industry while supporting minority-owned businesses like ours.

This bill is not just about gaming—it is about economic development, job creation, and fostering sustainable growth within Maryland's gaming sector. I urge the committee to issue a favorable report on SB 0639 to allow businesses like Riverboat on the Potomac to remain viable and continue contributing to the state's economy.

Thank you for your time and consideration.

Sincerely,

Maruthi Prasad

Maruthi Prasad
Managing Partner, Riverboat on-the-Potomac

Frederick County Delegation- SB639 LOS.pdf

Uploaded by: Paul Corderman

Position: FAV

DELEGATE JESSE T. PIPPY
DELEGATION CHAIR

SENATOR WILLIAM G. FOLDEN
DELEGATION VICE CHAIR



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401
FREDERICK COUNTY DELEGATION

SENATORS

PAUL D. CORDERMAN
KAREN LEWIS YOUNG
JUSTIN READY

DELEGATES

CHRISTOPHER ERIC BOUCHAT
BARRIE S. CILIBERTI
KRIS FAIR
KENNETH P. KERR
APRIL FLEMING MILLER
APRIL ROSE
KAREN SIMPSON
CHRIS TOMLINSON
WILLIAM VALENTINE
WILLIAM WIVELL

February 20, 2026
The Honorable Guy Guzzone and Jim Rosapepe
Budget & Taxation

RE: Support for HB1240/SB639 – Sports Wagering– Wagers on Historical Horse Races - Authorization

Dear Chair Guzzone and Vice Chair Rosapepe,

We write to express our support for HB1240/SB639, which would authorize wagering on Historical Horse Races (HHR) in Maryland. This legislation is a critical step toward revitalizing the state's horse racing industry, preserving jobs, and supporting economic development, particularly in Frederick County.

Maryland has a long and storied tradition of horse racing, but our industry has steadily lost market share to neighboring states such as Virginia, West Virginia, Pennsylvania, and Delaware—many of which have already implemented HHR. With Maryland's racing calendar now reduced to just 120 days per year, the industry is struggling to sustain year-round operations. By permitting HHR as a pari-mutuel activity under the Maryland Racing Commission, if passed on a referendum this bill will provide much-needed financial stability to the industry.

For Frederick County, this legislation holds particular significance. The introduction of HHR will directly benefit local facilities such as Long Shot's in Frederick, allowing them to operate year-round, creating sustainable employment opportunities and boosting tourism. Additionally, HHR will generate revenue that supports Maryland horse breeders, farms, and the broader agricultural industry, helping to preserve green spaces and prevent further loss of farmland—an issue of particular concern in our county.

The success of HHR in other states, including Kentucky and Virginia, demonstrates the economic and industry benefits it can bring. By passing HB1240/SB639, Maryland can reclaim its competitive standing, protect its equine heritage, and ensure the viability of racing for future generations.

We appreciate your leadership and urge a favorable report on this important legislation. Thank you for your consideration.

Sincerely,

Handwritten signature of Jesse T. Pippy.

Del. Jesse T. Pippy – Chair

Handwritten signature of William G. Folden.

Sen. William Folden – Vice Chair

Rich Baldwin Bio.pdf

Uploaded by: Paul Corderman

Position: FAV

Rich Baldwin, MBA, CPA

I am an accomplished senior executive with more than 30 years' experience working directly for and on behalf of a diverse number of global and domestic gaming companies, including advising the boards of directors for publicly traded and privately held companies. My experience includes serving as Chief Financial Officer for Shuffle Master Gaming (2004-2007), a global technology and manufacturing company included in the S&P 600 SmallCap Index with 2007 revenue of \$180 million and enterprise value of \$710 million; Director of Corporate Finance & Investor Relations for International Game Technology (2001-2004), a Fortune 1000 company listed on the S&P 500 with 2004 revenue of \$2.5 billion and enterprise value of \$14.0 billion; Director of Corporate Finance and Financial Controller for Anchor Gaming (1998-2001), a diversified global technology and systems company that was acquired by IGT in December 2001 with 2001 revenue of \$385 million and enterprise value of \$1.0 billion; and Chief Financial Officer for Tropicana Entertainment (2009), a privately held, multi-jurisdictional leisure and hospitality company with annual revenue of \$800 million. I also served as a Member of the Board of Directors for Galaxy Gaming, Inc. (2011-2012), a company that develops and markets technology and entertainment based products for the worldwide gaming industry. I have significant financial, operational, M&A and capital markets experience having led and participated in transactions ranging from \$10 million to \$1.5 billion. I have also served as a Board of Director or on the Advisory Board for multiple gaming companies, including currently serving as a Member of the Board of Advisors for the UNLV International Gaming Institute (2025-present) and as Audit Committee Member for the International Association of Gaming Advisors (2023-present).

I received my BS, Accounting degree in 1995 from the University of Nevada, Las Vegas and my MBA from the University of California, Irvine in 2012. I have been a licensed CPA in the state of Nevada since 1997.

I started my professional career with Deloitte & Touche in Las Vegas, NV, one of the world's largest public accounting firms, and quickly transitioned to holding CFO and senior level finance/operational positions for several public gaming companies with divergent profiles including high-growth international technology and manufacturing companies (Shuffle Master Gaming, International Game Technology, and Anchor Gaming) as well as for companies in middle market turnaround and/or bankruptcy emergence situations (Tropicana Entertainment).

During my tenure serving in the C-suite or as a Board member for various gaming companies, I was required to hold key employee gaming licenses in several domestic and international gaming jurisdictions since I had significant influence or control over the company's operations.

In 2012, I transitioned my professional career to investment banking and joined Union Gaming as Managing Director based out of the Las Vegas office, where I served from 2012 to 2020. Union Gaming was founded in 2009 as a boutique investment bank and advisory firm focused exclusively on the global gaming and hospitality industries, which the firm defined as the \$400 billion-plus market to include land-based casinos, lottery, online, and pari-mutuel wagering. The company specialized in global equity and high yield research, securities dealing, investment banking, advisory and analytics/market research, with offices in Las Vegas, New

York, Macau, and Hong Kong. Given my extensive C-suite gaming industry experience, I was recruited by the founders of Union Gaming to help lead and develop the company into one of the preeminent boutique advisory/consulting firms covering the global gaming industry. Approximately 1 year after my departure from Union Gaming in early 2020, the firm was acquired by CBRE Group, Inc., a Fortune 500 and S&P 500 company headquartered in Dallas, the world's largest commercial real estate services and investment firm.

Since 2021, I serve as Managing Partner for GGHM, a leading global gaming industry advisory and consulting firm dedicated to providing its clients with trusted, highly-focused and comprehensive services that help them achieve their long-term strategic objectives. GGHM is focused exclusively on the global casino and integrated resort industry. In my capacity as Managing Partner, I work closely with the firm's other managing partners to support the company's diverse client base that includes public and private companies, governments, Native American tribes, regulatory agencies and investment funds with respective annual revenues ranging from several million to over a billion dollars individually. I frequently work side-by-side with client owners, Boards and senior management teams to assist in the evaluation and development of growth and other strategic initiatives, M&A opportunities, capital allocation, operational/strategic planning, market research, negotiating material contracts and arranging financing. Concurrently, since November 2021, I also serve as Managing Principal for RVNC Advisors, LLC, a Las Vegas-based advisory firm.

Rich Baldwin SB 639 Written Testimony Final v2.pdf

Uploaded by: Paul Corderman

Position: FAV



Maryland SB 639
Written Testimony of Rich Baldwin
Managing Partner – GGHM Las Vegas

Good afternoon Chair, Vice Chair & Members of the Committee.

My name is Richard Baldwin. I am one of the Managing Partners of our firm GGHM, based out of our Las Vegas, NV office. GGHM is a boutique advisory and consulting firm focused exclusively on the global gaming sector.

GGHM was engaged by Long Shot's in Frederick, MD to perform advisory services related to the potential implementation of Historical Horse Racing machines (HHR's) at select locations in MD. HHR's are electronic gaming devices with outcomes based on previously run horse races.

Our work was performed independent of the owners of Long Shot's and the other MD OTB operators. Our conclusions and opinions are based on our own professional judgement as globally recognized gaming industry experts.

While MD has a long history of other gambling activities like horse racing (dating to the 1700s) and a state lottery that commenced in 1973, the current casino industry was established following a 2008 constitutional amendment to allow 15,000 slot machines at 5 locations. The first facility, Hollywood Casino Perryville opened in September 2010. MD voters subsequently approved "Question 7," which allowed the addition of live table games and a 6th casino license resulting in the last facility to open in 2016, MGM National Harbor. Since inception, the MD land-based casino industry has benefited from a limited license casino market and since 2016, there has been no additional competition or casino supply.

Based on our MD market analysis, there are segments of the MD population across the state that are not being conveniently served by the MD casinos. As gaming experts, it is well understood and documented across the industry that above all else, convenience is the most important consideration for casino customers in deciding the frequency of visitation.

There are several states we could highlight to illustrate the expansion of land-based casino gaming alternatives over time. Virginia is an interesting case study, representing the first state where HHR facilities and casinos were to co-exist. In fact, HHR facilities were operating in the state prior to the casinos. In 2019, VA introduced HHR machines. These are operated primarily at Rosie's Gaming Emporium locations across the state to support the horse racing industry.

Casinos were legalized in 2020 in the following five cities - Bristol, Danville, Portsmouth, Norfolk and Richmond. Hard Rock Hotel & Casino Bristol became VA's first licensed casino, opening a temporary facility in July 2022. Rivers Casino Portsmouth opened as the state's first full-scale, permanent gaming resort in January 2023.



Maryland SB 639
Written Testimony of Rich Baldwin
Managing Partner – GGHM Las Vegas

Today, the VA market consists of approximately 4,800 HHRM's generating approximately \$568M in annual revenue and 4,300 slot machines generating approximately \$722M in annual revenue (prior to the recent opening of the Live! Casino in Petersburg). Total HHRM and slot revenues have continued to grow in the years following their initial opening dates.

It's our opinion and conclusion that the VA tax and employment base would be significantly smaller if the VA gaming market consisted of only HHR facilities or only casinos. We also point out that in Virginia, the effective HHR tax rate is 22%.

Ohio is another good case study. Like MD, Ohio has a long history of legalized gaming in the state with goals of expanding the tax and job base. While racing had existed for a century, legalized pari-mutuel wagering was passed in 1933 and subsequently the Ohio Lottery where sales officially began in 1974.

Land-based gaming in Ohio has subsequently evolved from a century of strict prohibition into a multi-billion dollar industry. Modern casino-style gambling was established by a 2009 constitutional amendment that authorized 4 full-service casinos offering slots, table games, and poker in specific locations: Cleveland, Columbus, Cincinnati, and Toledo.

To help struggling racetracks, "Racinos" were introduced at 7 of the state's racetracks with Scioto Downs being the first to open in 2012. To limit the potential financial impacts on the 4 casinos they were authorized to only operate Video Lottery Terminals ("VLTs", not slot machines) and were to be separately regulated by the Ohio Lottery Commission (not the Ohio Casino Control Commission). While OH lawmakers at the time were cognizant of the potential competitive impacts of Racinos on the Casinos, it was also understood that the tax and job base could be expanded significantly given the limited gaming supply of the 4 casinos and that more locations would expand the geographic reach of the industry. As mentioned above, convenience is the most important consideration for casino customers in deciding the frequency of visitation.

Given the underlying assumptions contemplated in our MD market analysis, we conclude the implementation of HHR's at select locations in MD would increase the overall tax, economic and job base for the state overall, which would be even more concentrated on the local rural MD communities and small business owners in which the HHR's would be domiciled.

sb 639 Chris Russell.pdf

Uploaded by: Paul Corderman

Position: FAV



Written Testimony in FAVOR of SB-639

Submitted by Chris Russell

Submitted on February 23, 2026

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.

SB 639 Testimony.pdf

Uploaded by: Paul Corderman

Position: FAV

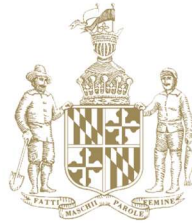
PAUL D. CORDERMAN
Legislative District 2
Frederick and Washington Counties

Budget and Taxation Committee

Subcommittees

Capital Budget

Education, Business and Administration



James Senate Office Building
11 Bladen Street, Room 403
Annapolis, Maryland 21401
410-841-3903 · 301-858-3903
800-492-7122 Ext. 3903
Paul.Corderman@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 25, 2026

Senate Budget & Tax Committee
Chair Guy Guzzone
Vice Chair Jim Rosapepe
3 West Miller Senate Office Building
Annapolis, MD 21401

Testimony In Support of SB 639 - Sports Wagering - Wagers on Historical Horse Races - Authorization

Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget & Tax Committee,

Thank you for the opportunity to present Senate Bill 639. SB 639 authorizes sports wagering on historical horse races at specific, Commission approved locations and establishes a clear regulatory framework for how those wagers are conducted. SB 639 also outlines how proceeds will be distributed, directing revenue to the Blueprint for Maryland's Future Fund, local impact grants, the Purse Dedication Account, and the General Fund, while requiring voter approval through a statewide referendum.

SB 639 provides clear parameters and dedicates revenue to education and local communities, building on Maryland's existing gaming structure in a responsible way. It supports the state's racing industry, creating an additional revenue stream for public priorities, and ensures strong oversight and accountability through the State Racing Commission and voter review.

Thank you for your consideration of this bill, and we respectfully request a favorable report on SB 639.

Sincerely,

A handwritten signature in black ink, appearing to read "P. D. Corderman".

Senator Paul D. Corderman – District 2, Washington & Frederick Counties

SB 639 Letter of Support_Wash Co Chamber.pdf

Uploaded by: Paul Frey

Position: FAV

February 18, 2026

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

Dear Chair Guzzone and Members of B&T,

On behalf of the Washington County Chamber of Commerce, representing almost 700 organizations with over 40,000 employees, I am writing to support **SB 639, Sports Wagering - Wagers on Historical Horse Races – Authorization**. The Historical Horse Racing Bill would allow the use of Historical Horse Racing (HHR) devices utilizing a modified pari-mutuel system. HHR is an electronic betting product that enables players to wager on replays of horse races that have already been run. The modified systems used in HHR allow individual players to bet on historical horse races while maintaining a pooled wagering structure.

The Maryland-based OTBs, which operate under the authority of the Maryland Jockey Club (MJC) and the Maryland Horsemen's Association (MHA), have experienced a decline of nearly 40 percent in revenue over the past three years. The industry's racing authority is proactively attempting to revise contracts to both increase costs and decrease the revenue split, which currently stands at 33 percent of revenue after expenses, minus revenue acquired through the Stronach Group's 1st Racing wagering application.

Three OTBs (Boonsboro, Longshot's, and Riverboat on the Potomac) have come together under a signed Memorandum of Understanding and are jointly pursuing the implementation of HHR. These OTBs are 100 percent owned by minorities or women and are located an hour or more from the nearest casino in Maryland.

Research indicates that approximately \$40 million in annual revenue is leaving the state of Maryland, as gaming outlets in Pennsylvania, Virginia, and West Virginia attract patrons. This is especially concerning since the areas where the OTB's are situated are significantly underserved in terms of gaming entertainment venues. Based upon 500 HHR machines designated to each OTB, this bill can raise upwards of \$65M in new state tax revenue year-over-year.

The HHR bill release will reflect the proposed number of machines to be operating in OTB locations. The plan only places HHR machines in locations 30 miles outside of Maryland-based casinos, which takes the casino slot machine cannibalization rate to less than one percent.

The Washington County Chamber of Commerce recognizes the important role that OTB's play in our communities. Because of the changing nature of bettors' interests and the local economies, we strongly encourage the Committee to see that SB 639 offers to our OTB operators and the industry. We believe this approach, by its design, minimizes detrimental impacts on Maryland's existing casinos.

We hope you'll give **SB639** a favorable Committee report, and support adoption of this potentially industry-saving measure when it reaches the floor of the Maryland Senate.

Sincerely,



Paul Frey, IOM
President & CEO



Town of Boonsboro Support for SB0639.pdf

Uploaded by: Rachel Souders

Position: FAV



TOWN OF BOONSBORO

21 NORTH MAIN STREET ♦ BOONSBORO, MARYLAND 21713

WWW.TOWN.BOONSBORO.MD.US ♦ 301-432-5141

February 20, 2026

Senator Paul Corderman
403 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Dear Senator:

On behalf of the Town of Boonsboro, I am writing to express support for SB0639 & HB1240 for Historic Horse Racing (HHR) at Boonsboro Off Track Betting (OTB). The addition of HHR Machines will draw additional clientele to an already successful establishment and reap numerous benefits for our growing Town, Washington County, and the State of Maryland as a whole.

Bringing HHR Machines to Boonsboro OTB will attract customers that currently travel to West Virginia and/or Pennsylvania, thus keeping Marylanders (and their money) in-state. In addition, Boonsboro's close proximity to state lines will make Boonsboro OTB a viable option for out-of-state residents looking for a new venue. The subsequent increase in tax revenue will help the Town of Boonsboro to complete many needed infrastructure improvements that are lacking funds.

The addition of HHR Machines to Boonsboro OTB is projected to create 100 new job openings – an astonishing number for a Town of our size. These jobs could be life-changing in an area with minimal access to public transportation and employment opportunities. Due to the success we have already seen with Boonsboro OTB and its neighboring establishments, I have no doubt that expanding the business to offer HHR Machines will have a very positive impact on the Town's economic standing.

I am thrilled to have the chance to convey my support of SB0639 & HB1240, and I hope you will share my optimistic outlook on the potential benefits to this area. Should you have any questions or concerns, please feel free to contact me by email (townmanager@townofboonsboro.com) or phone (301-432-7600).

Thank you so much for your time.

Respectfully,

Rachel Souders
Town Manager

SB 639 ltr of support.pdf

Uploaded by: Richard Weldon

Position: FAV



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

Dear Chairman Guzzone and Members of B&T,

I am writing regarding SB 639, Sports Wagering - Wagers on Historical Horse Races – Authorization. The Historical Horse Racing Bill would allow the use of HHR (Historical Horse Racing) devices utilizing a modified pari-mutuel system. HHR is an electronic betting product that enables players to wager on replays of horse races that have already been run. The modified systems used in HHR allow individual players to bet on historical horse races while maintaining a pooled wagering structure.

The Maryland-based OTBs, which operate under the authority of the Maryland Jockey Club (MJC) and the Maryland Horsemen's Association (MHA), have experienced a decline of nearly 40% in revenue over the past three years. The industry's racing authority is proactively attempting to revise contracts to both increase costs and decrease the revenue split, which currently stands at 33% of revenue after expenses, minus revenue acquired through the Stronach Group's 1st Racing wagering application.

Three OTBs (Boonsboro, Longshot's, and Riverboat on the Potomac) have come together under a signed Memorandum of Understanding (MOU) and are jointly pursuing the implementation of HHR. These OTBs are 100% owned by minorities or women and are located an hour or more from the nearest casino in Maryland.

Research indicates that approximately \$40 million in annual revenue is leaving the state of Maryland, as gaming outlets in Pennsylvania, Virginia, and West Virginia attract patrons. This is especially concerning since the areas where the OTBs are situated are significantly underserved in terms of gaming entertainment venues.

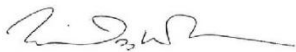
Based upon 500 HHR machines designated to each OTB, this bill can raise upwards of \$65M in new state tax revenue year-over-year.

The HHR bill release will reflect the proposed number of machines to be operating in OTB locations. The plan only places HHR machines in locations 30 miles outside of MD-based casinos, which takes the casino slot machine (VLT) cannibalization rate to less than 1%.

The Frederick County Chamber of Commerce recognizes the important role that Longshot's (and the two other aligned OTB's) play in our communities. As a consequence of the changing nature of bettors' interests and the local economies, we strongly encourage the Committee to see the benefits that SB 639 offers to our OTB operators, the industry, the Jockey Club and the Horsemen's Association. We further suggest that this approach, by its design, minimizes detrimental impacts on Maryland's existing casinos.

We hope you'll give SB639 a favorable Committee report, and support adoption of this potentially industry-saving measure when it reaches the floor of the Maryland Senate.

Respectfully submitted,



Richard B. Weldon, Jr
President/CEO, Frederick County Chamber of Commerce

SB639_MRA_FAV.pdf

Uploaded by: Sarah Price

Position: FAV

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



**SB639 Sports Wagering - Wagers on Historical Horse Races - Authorization
Budget and Taxation Committee
February 25, 2026**

Position: Favorable

Background: SB639 would allow sports wagering on historical horse race simulations.

Comments: The Maryland Retailers Alliance supports SB639 Sports Wagering - Wagers on Historical Horse Races - Authorization, which would authorize the use of historic horse racing (HHR) machines at off-track betting (OTB) establishments in Maryland. HHR machines allow players to bet on the outcome of historic horse races, with identifying historic details removed.

Maryland's OTB facilities compete for customers with not only casinos and racetracks but also the online betting industry, which accounts for almost 98% of sports betting taking place in the state. Allowing OTB establishments to offer unique gaming opportunities with HHR machines will help to attract new players to these businesses that cannot compete with larger, well-known entities like racetracks and casinos. Bringing HHR to OTBs on this side of the Potomac River will also keep Maryland gaming dollars in the state, as HHR enthusiasts currently travel to play in Virginia which has already authorized this gaming use.

The entire local hospitality industry benefits from a community's ability to successfully attract visitors to entertainment epicenters like casinos. Expanding the gaming opportunities that are available at OTB establishments will help drive economic growth in Maryland's jurisdictions that do not currently benefit from large facilities like racetracks and casinos. As interest in gaming continues to expand in Maryland, allowing HHR machines at OTB locations will promote investment and revenue growth throughout the state.

MRA would respectfully urge a favorable report on SB639. Thank you for your consideration.

MDFB - Support with amendments - SB639 Sports Wage

Uploaded by: Tyler Hough

Position: FWA



Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035
410-922-3426 | www.mdfarmbureau.com

February 25, 2026

To: Senate Budget and Taxation Committee

From: Maryland Farm Bureau, Inc.

RE: Support with Amendments – SB639 – Sports Wagering - Wagers on Historical Horse Races - Authorization

On behalf of the over 7,000 member families of the Maryland Farm Bureau, I submit written testimony in support of SB639 Sports Wagering – Wagers on Historical Horse Races – Authorization. This proposed legislation would modify the definition of "sporting event" in Maryland's sports wagering laws to include historical horse races.

There was a time when pari-mutuel wagering on horse races was the only legal gambling option outside of Las Vegas casinos across the United States. But over the past 40 years, with the rise of lottery systems, tribal and commercial land-based casinos, and most recently, iGaming and sports wagering, the racing industry has been in sharp decline. One possible solution is Historical Horse Racing, an evolution of pari-mutuel wagering that allows patrons to place pari-mutuel wagers on previously conducted horse races. According to Gaming Laboratories International in 2022, Historical Horse Racing accounts for over \$10 billion in wagering annually across five states, and the racing industry has shown a major resurgence in those jurisdictions. Unlike other electronic gaming options, where the outcome is based on random chance, Historical Horse Racing uses combinations of previously conducted horse races, randomly chosen from an extensive database of potential races.

The decline of pari-mutuel wagering on horse races has impacted on the thoroughbred and agricultural communities as well. Currently the *Horse Racing Special Fund*, which takes revenues from pari-mutuel taxes and license fees, as well as other horse racing revenues, many horse racing and agricultural support programs and fairs throughout the State. In recent years, revenues from the horse racing special fund have been insufficient to fulfill the expected local impact aid allocation to each jurisdiction and the other mandated uses, mainly due to a reduction in racing days and the emergence of iGaming.

The bill as drafted has a portion of proceeds from sports wagering will go into the State Lottery Fund, with funds allocated to education and problem gambling programs. Due to the decline of funds in the *Horse Racing Special Fund*, the members of Maryland Farm respectfully ask for a portion of funds from Historical Horse Racing go into the *Horse Racing Special Fund*.

MDFB Policy: We support that a portion of gaming proceeds continue to be utilized to supplement the purse and bred fund accounts. We support licensed video gaming and gambling at racetracks and/or other facilities and that a minimum of 25% of the total net revenue from these sources be used to supplement the purse and Maryland Bred Fund accounts to equal the

average dollar value of the three highest states in the Purse and Breeding bonus accounts. Any expansion into other forms of gambling including but not limited to table games, sports wagering, Video Lottery Terminals (VLTs), Historical Horse Racing (HHR), and iGaming should benefit the equine industry, Maryland Ag Fair Board, MAEF, and agricultural education programs. '24

A handwritten signature in black ink, appearing to read "Tyler Hough", is positioned below a horizontal line.

Tyler Hough

Director of Government Relations

Please reach out to Tyler Hough, though@marylandfb.org, with any questions

SB 639 - MTHA - UNF.pdf

Uploaded by: Jason Weintraub

Position: UNF



MARYLAND JOCKEY CLUB



Senate Bill 639

Sports Wagering – Wagers on Historical Horse Races – Authorization Unfavorable (UNF)

February 25, 2026

Chairman Guy J. Guzzone
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Chairman Guzzone and members of the Senate Budget and Tax Committee,

We thank you for your steadfast commitment to the State's thoroughbred racing industry and the thousands of owners, trainers, and breeders that call Maryland home. On behalf of the Maryland Jockey Club, Inc. ("TMJC") and the Maryland Thoroughbred Horsemen's Association, Inc. ("MTHA") **we respectfully oppose Senate Bill 639**. TMJC and MTHA have serious concerns about the bill's potential cannibalization of existing pari-mutuel and Video Lottery Terminal ("VLT") revenues that are the lifeblood of the State's thoroughbred industry and the Pimlico Plus redevelopment plan that is currently underway.

TMJC and MTHA appreciate the sponsors' support of their local satellite simulcast betting facilities ("OTBs") that also hold retail sports wagering licenses, and their desires for additional forms of gaming. But we cannot support legislation that attempts to use horse racing as nothing more than proxy random number generators to underpin 4,000 gaming terminals that look, play, and sound exactly like VLTs authorized by the General Assembly (*see*, [IGT's Cash Climb Historical Horse Racing \(HHR\) Demo Video](#)). Even the nonpartisan Department of Legislative Services has previously cautioned against the substitution effect of Marylanders simply shifting their gaming spend from VLTs to HHR machines – with little to no upside, and potentially significant downside – to the Purse Dedication Account.

Furthermore, under both current Maryland law (Title 11, Subtitle 8 of the Business Regulation Article) and the Federal Interstate Horse Racing Act ("IHA" §§ 3301 through 3307), all thoroughbred pari-mutuel wagering in the State (conducted in-person at Laurel Park or Pimlico; at an off-track OTB; remotely via a simulcast television agreement; or through an advance deposit

wager conducted on a smartphone) requires the consent and approval of TMJC, MTHA, the Maryland Horse Breeders Association (“MHBA”) and the State Racing Commission (“MRC”).

These statutory consents and approvals are critical components of both the Federal IHA and Maryland’s longstanding regulatory framework designed to protect the interests of Maryland’s Horsemen and Breeders – and are completely upended by Senate Bill 639 (*see*, page 3, lines 14 and 22) with respect to HHR.

We also cannot support the proposed provisions of SB 639 that allow pari-mutuel wagering pools to be regulated and approved by the State Lottery and Gaming Control Commission (“SLGCC”) without the traditional consents and approvals of TMJC, MTHA, MHBA, and MRC. Pari-mutuel wagering in any form should not be regulated by SLGCC in the same manner as [RaceTrax](#) or [NHL Hockey](#). The [stated mission of MRC](#) is to “regulate pari-mutuel betting in Maryland through the implementation and enforcement of policies, and to safeguard the participants in racing, as well as the betting public” – and should respectfully remain so.

We truly appreciate the Committee’s consideration and request an **unfavorable report on Senate Bill 639**.

Sincerely,



Bill Knauf
President, TMJC



Katherine M. Voss
President, MTHA

SB 639 - TMJC - UNF.pdf

Uploaded by: John Favazza

Position: UNF



MARYLAND JOCKEY CLUB



Senate Bill 639

Sports Wagering – Wagers on Historical Horse Races – Authorization Unfavorable (UNF)

February 25, 2026

Chairman Guy J. Guzzone
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

Chairman Guzzone and members of the Senate Budget and Tax Committee,

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We truly appreciate the Committee’s consideration and request an **unfavorable report on Senate Bill 639**.

Sincerely,



Bill Knauf
President, TMJC



Katherine M. Voss
President, MTHA

Joint Casino Testimony on SB 639 (HHR 2026).pdf

Uploaded by: Marta Harting

Position: UNF



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.

2026-02-23-Steve May Written Testimony.pdf

Uploaded by: Steve May

Position: INFO

February 23, 2026



GLI[®]

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Worldwide Locations

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GLI UK
GLI Italy
GLI South America

North American Offices
Colorado
Nevada
British Columbia

Maryland Senate Budget and Taxation Committee:

Dr. Chair Guzzone, Vice Chair Rosapepe, and the other distinguished members of the Maryland Senate Budget and Taxation Committee. It is an honor and a pleasure to address this committee today to explain the role of independent testing laboratories in the gaming industry and to describe how I can assist during the discussion of gaming legislation in Maryland.

For the past 3.5 years, I have been on the team at Gaming Laboratories International ("GLI"), an independent testing laboratory and regulatory consulting group based in New Jersey. GLI serves regulators worldwide, with approximately 1,700 employees across 6 continents. In North America specifically, GLI serves state and tribal regulators, as well as legislators such as yourself.

GLI primarily issues certification reports on virtually any type of gaming device and system, ensuring regulators that a gaming device meets or exceeds the regulations and technical standards of that particular jurisdiction. But that work also provides GLI with an opportunity to explain to policy makers like you how gaming systems and devices work, offering an independent, unbiased explanation.

That is solely why I am before you today. GLI stands prepared to provide any technical support related to Historical Horse Racing and the differences in other gaming options in Maryland. GLI does not provide any legal, or other opinion as to whether a new gaming system should be allowed or disallowed in a jurisdiction, and neither GLI, nor I, am being paid for any work on this bill or any other gaming legislation in Maryland. GLI has a long, productive history with many of the regulators and operators in Maryland and the surrounding states.

If there are any technical questions that arise related to the technology and functionality behind Historical Horse Racing please feel free to have your team members contact me.

Sincerely,

Steve May
Senior Executive, Government Affairs
Gaming Laboratories International