



ATTN: James B. Butler, Assistant Deputy Director, Chief of Staff
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 330, Baltimore, MD 21230
410-230-878
jbutler@maryland.gov.

Dear Maryland Lottery and Gaming Control Agency,

On behalf of UFCW Local 27 and the hardworking men and women we proudly represent, I am writing to express our opposition to the proposed regulation to tax promotional coupons for Free Play and Promo Chips. This proposed tax poses significant challenges not only to the gaming industry but also to the dedicated employees and communities that rely on its success.

As the industry has repeatedly cautioned, taxing promotional Free Play and Promo Chips will have a detrimental impact on the ability of gaming properties to attract visitors and remain competitive. These promotions are vital tools for generating business, driving visitation, and sustaining revenue streams that support jobs and economic growth in Allegany County and throughout the state.

Of even greater concern is the potential ripple effect this tax could have on the livelihoods of our employees. Many of our members work in Allegany County's gaming and hospitality sector, a key driver of the region's economy. Any decline in visitation or revenue could lead to reductions in hours, wages, or staffing, directly affecting the stability of these families.

Moreover, the proposed regulation risks diminishing Allegany County's appeal as a premier tourism and gaming destination. As the state seeks to foster economic development, it is counterproductive to enact policies that undermine the competitiveness of one of its key industries.

We urge the Maryland Lottery and Gaming Control Agency to reconsider this proposal. Instead of introducing measures that threaten to destabilize our gaming industry, we encourage the exploration of alternatives that ensure Maryland's gaming properties remain competitive while supporting the workers and communities that depend on them.

Thank you for the opportunity to provide input during the open comment period. We hope you will carefully consider the far-reaching implications of this regulation and stand with us in opposing this overreach.

In Solidarity,

Jason M. Chorpenning
UFCW Local 27
President



December 16, 2024

Dear Mr. Butler:

Our organization, The BWI Business Partnership, a nonprofit corporation comprised of a diverse group of over 200 local and regional businesses; government agencies; educational and healthcare institutions; non-profits; hotels, tourism agencies and elected officials, advocating for strong transportation policy and initiatives, driving sustainable economic and workforce development, and facilitating meaningful strategic relationships germane to the growth and development of the BWI Region and Central Maryland would like to express our opposition to the Maryland Gaming and Lottery Agency's recent proposal to tax all promotional play offered by the State's casinos as if it were revenue. Through our foundation, the BWI Community Development Foundation, we receive Local Development Council (casino funding) grant funding for a free transit service, the County Connector, that served close to 100,000 passengers in FY24, to assist those without transportation to get to jobs and job opportunities along with a roadside beautification grant that continues to keep the 3-mile area around the Live! Casino and Hotel beautiful with landscaping services and we consistently remove 40 tons of litter each year.

We believe that such a proposal will have a significant detrimental impact on these grant programs, our members and the partners and communities with whom we work, as well as on local and regional jobs, community investment, and revenue to Anne Arundel County and to the State of Maryland.

Maryland's six casinos have spent over \$3 billion in initial capital investment, generated \$3.0 billion in economic impact, and created \$962.2 million in tax impacts while supporting more. These six businesses alone have generated over \$848 million in gaming tax, half as much tax to the State of Maryland annually as the thousands of other companies doing business in the State each year (\$1.6 billion corporate income tax.) Maryland casinos have also provided \$5.9 billion to the Maryland Education Trust Fund and over \$8.0 billion in overall taxes since the program began. They also support more than 15,000 living wage direct union and non-union jobs in the State.

The MLGCA's promotional play tax proposal will jeopardize all the aforementioned.

Promotional play is similar to a grocery store coupon for a free item – it allows patrons a free spin at a slot machine or a no-risk hand at a Blackjack table. Promotional play is not revenue, but it is used strategically by Maryland's casinos as a vital tool to drive customer loyalty, visitation and revenue to the casino and, thus, to the State. Maryland's tourism and hospitality industries also reap the benefits of increased travel, visitation and investment to the area.

Taxing promotional play would cripple the ability of Maryland's casinos to compete with casinos in neighboring states that offer unlimited tax-free promotional play. The result will be a loss of customers, lower visitation, and a resulting decline in revenues. All of this means less visitation, fewer jobs, less investment and less gaming and non-gaming tax revenues for the State of Maryland and its taxpayers.



For all these reasons, we urge the Commission to reject this increase in casino taxes. The longstanding existing regulation governing promotional play should be left in place to allow Maryland casinos to compete with casinos in other states to the benefit of the State of Maryland.

Sincerely,

President

cc: Mary L. Washington, Senate Chair of the Joint Committee on Administrative, Executive & Legislative Review

Samuel I. Rosenberg, House Chair of the Joint Committee on Administrative, Executive & Legislative Review

Everett D. Browning, Sr., Chair of the Maryland Lottery and Gaming Control Commission



Via Electronic Mail

December 17, 2024

James B. Butler
Assistant Deputy Director, Chief of Staff
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

Re: Opposition to Notice of Proposed Action 24-169-P

Dear Mr. Butler,

Founded in 1968, the Maryland Chamber of Commerce (“Chamber”) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

The Maryland State Lottery and Gaming Control Agency’s (“Agency”) proposed elimination of the promotional play deduction would place Maryland’s casinos at a competitive disadvantage, incentivize customers to visit casinos in other states, and ultimately drive revenues and customers away from Maryland. For these reasons, the Chamber opposes the Agency’s proposed changes to COMAR 36.03, 36.05, and 36.10.

Promotional play is an exceptionally valuable marketing tool that casinos utilize to attract guests to Maryland. Like casinos in our surrounding states, Maryland’s casinos currently utilize non-transferable, free promotional play to establish customer loyalty, personalize experiences, and promote customer retention. That valuable marketing works, more than 40% of guests that visit Maryland’s casinos come from other states. If the promotional play deduction is eliminated, those guests would simply travel to other states and deprive Maryland of valuable tax revenues.

Maryland’s six casinos currently generate the fourth highest gaming tax revenues in the country, which provides valuable employment opportunities to Marylanders and critically contribute to Maryland’s economy. After expending more than \$3 billion in initial capital investment in Maryland, the state’s six casinos now support more than 7,000 jobs, pay more



than \$800 million in annual taxes, and contribute more than \$600 million to the Education Trust Fund.

The Agency's proposal to eliminate the promotional play deduction ignores direct evidence of the policy's adverse effect. In 2019, Louisiana adopted a similar policy that resulted in immediate, negative results. Specifically, Louisiana taxed promotional play from 2019 to 2022, and the state's brick-and-mortar casinos saw an average decline of 5%, while casinos in states that do not tax promotional play saw double digit growth.

Maryland cannot afford to risk a 5% decline in gaming revenues for brick-and-mortar casinos, which utilize promotional play as a vital marketing tool that attracts more visitors to Maryland and benefits businesses outside of the gaming industry. For example, Maryland's hospitality and tourism industry benefits greatly from the guests at Maryland's casinos. That visitor benefit supports businesses, creates jobs, and generates more tax revenue for Maryland.

Eliminating the promotional play tax deduction will incentivize travelers to visit casinos in neighboring states, jeopardize local jobs, and discourage future investment in Maryland. In addition to driving business away from Maryland's casinos, elimination of the promotional play tax deduction will reduce revenue for Maryland's casinos and businesses that participate in Maryland's hospitality and tourism industries. For these reasons, the Maryland Chamber of Commerce respectfully opposes elimination of the promotional play tax deduction.

Sincerely,

Mary Kane
President & CEO
Maryland Chamber of Commerce



December 18, 2024

James Butler
Assistant Deputy Director & Chief of Staff
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

Re: Public Comment to the Elimination of the Promotional Play Tax Deduction

Dear Mr. Butler,

Experience Prince George's is the official destination marketing organization (DMO) for Prince George's County, Maryland. As a key component of our economy, we drive exposure and visitation through convention sales, sports events, leisure travel, and hotel bookings to generate growth within the tourism industry. Our mission includes fostering opportunities and exposure to help drive the local economy. Prince George's County is conveniently located next to Washington, D.C., 25 minutes from Annapolis, and 40 minutes from Baltimore. We are accessible to travelers from three major airports, by rail, and major roadways.

We are writing to express our concern and opposition to the proposed elimination of Maryland's current tax deduction for promotional play. Maryland's six casinos generate the fourth highest gaming tax revenues in the country, provide valuable employment opportunities to Marylanders, and contribute significantly to Maryland's economy. Specifically, Maryland's six casinos support more than 15,000 jobs, pay taxes at a rate more than 50% higher than other businesses, and have expended more than \$3 billion in capital investment in Maryland. As a percentage of corporate income tax, Maryland already has one of the highest gaming tax revenues in the country. Additionally, Maryland's gaming tax revenue is the second highest in the country on a per capita basis. As a result, Maryland's casinos have provided \$5.9 billion to the Maryland Education Trust Fund and over \$8.0 billion in overall taxes since the program began.

In Prince George's County, MGM National Harbor is a significant economic engine, employing thousands of people, contributing substantial tax revenues, and drawing countless tourists into the county. Roughly half of MGM National Harbor's employees, more than 3,100, call Prince George's County home. These successes are possible because of Maryland's competitive position in an increasingly competitive landscape, including its current allowance for cashless promotional play. The proposal by the Maryland Lottery and Gaming Control Commission (the Commission) to eliminate Maryland's tax deduction on free play promotions would have a negative and immediate impact on Prince George's County, its residents, and our ability to draw tourists into Maryland.

Maryland's casinos utilize promotional play as a vital marketing tool to attract visitors benefiting businesses beyond the gaming industry; creating jobs and generating more tax revenue for Maryland. Eliminating the promotional play tax deduction will incentivize travelers to visit casinos in other states, risk jobs, and disincentivize future investment in Maryland. In addition to driving business away from Maryland's casinos, elimination of the promotional play tax deduction will push away tourists and visitors negatively impacting Prince George's businesses and residents. For these reasons, Experience Prince George's respectfully **opposes** the proposal to eliminate the promotional play tax deduction in Maryland.

Sincerely,

Leslie W. Graves

Leslie W. Graves
President & CEO
Experience Prince George's