

MARYLAND

Total statewide commercial casino gaming revenue hit a record \$2.50 billion in 2023, as a first full year of mobile sports betting offset declines in revenue from traditional land-based casino gaming and retail sports wagering.

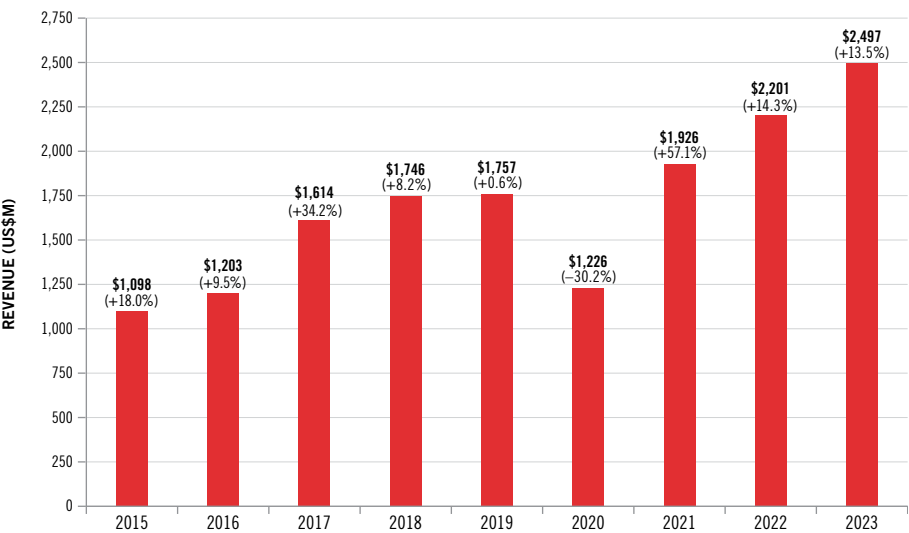
Market Overview

Maryland offers commercial casino gaming at five land-based casinos and one racino, each of which is eligible to operate electronic gaming devices, table games and sports betting. The casinos are regulated by the Maryland Lottery and Gaming Control Agency and Maryland Lottery and Gaming Control Commission.

Commercial casino gaming was first approved in 2008 when Maryland voters passed a constitutional amendment allowing a total of five casinos limited to electronic gaming devices. The market expanded in 2012 when lawmakers and voters authorized table games at all casino properties as well as a license for a sixth commercial casino in Prince George's County, near Washington D.C.

Sports betting was approved by voters in 2020 and authorized via a state law enacted the following year. That law allowed for retail sports wagering at Maryland's commercial casinos, major sports stadiums and at various other locations. Up to 60 state licenses for mobile sports betting were also made available. Land-based sports betting was launched at Maryland commercial casinos in late 2021, followed by mobile sports betting in November 2022. At the end of 2023, sports wagering was available at 13 retail locations and via 12 mobile sportsbook platforms, up from nine retail locations and seven mobile platforms a year earlier.

MARYLAND: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Maryland Lottery and Gaming Control Agency

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

6

CASINO FORMAT

Land-Based Casinos;
Racinos

REGULATORY AUTHORITY

Maryland Lottery
and Gaming Control
Agency; Maryland
Lottery and Gaming
Control Commission

GROSS CASINO GAMING REVENUE 2023

\$2.50B

GAMING TAX REVENUE 2023

\$883.0M



Market Performance

In 2023, total statewide commercial casino gaming revenue reached \$2.50 billion, up 13.5 percent versus the prior year.

The figure was a record annual revenue total and reflected a first full year of mobile sports betting in Maryland.

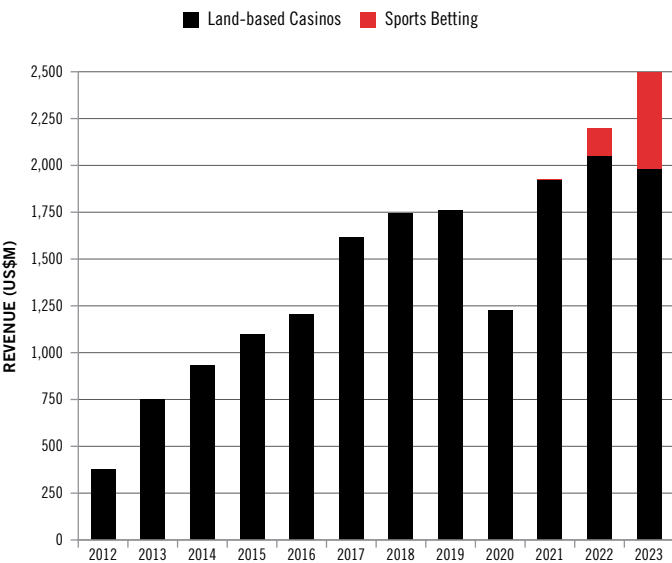
Annual sports betting revenue amounted to \$514.1 million in 2023, more than triple 2022's total of \$149.5 million that included less than two months of revenue from mobile wagering. Mobile sports betting accounted for \$497.7 million—or 96.8 percent—of the 2023 total. Revenue from land-based sports betting was \$16.4 million, down sharply from \$41.3 million in 2022.

Statewide revenue from electronic gaming devices at commercial casinos was \$1.33 billion in 2023, up 0.5 percent relative to the previous year. However, revenue from table games fell 10.4 percent to \$648.0 million.

Declining revenue from table games and retail sports betting meant MGM National Harbor in Prince George's County lost its status as the most lucrative commercial casino-resort outside of Nevada by gaming revenue. The property, located just outside of Washington D.C., reported a 6.6 percent decline in gaming revenue in 2023 and was surpassed by Resorts World New York City in Queens.

MARYLAND: COMMERCIAL GAMING REVENUE (US\$M) 2012 to 2023

A first full year of mobile sportsbook operations saw sports betting quickly become a key component of Maryland's overall commercial casino gaming market in 2023. Sports betting accounted for more than 20 percent of total annual revenue statewide.



SOURCE: Maryland Lottery and Gaming Control Agency

Gaming Tax Distribution

Maryland's commercial casinos pay some of the country's highest tax rates on proceeds from electronic gaming devices—between 42 and 58 percent in 2023—depending on the specific casino.

Table games are taxed at 20 percent. In addition to taxes on revenue, casinos must pay an annual assessment of \$425 per electronic gaming device and \$500 per table game to help fund responsible gambling programs.

Meanwhile, sports betting revenue is taxed at a headline rate of 15 percent of revenue. Sportsbook operations are also subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Maryland's commercial casino and sports betting operations generated total gaming tax revenue of \$883.0 million, up 3.3 percent from the previous year.

Of the gaming tax total, approximately \$651.1 million was distributed to two specific state funds that support public education initiatives. Approximately \$105.5 million was distributed in the form of local impact grants and other contributions to local governments, while a further \$92.5 million was raised to subsidize horse race pursues or support the maintenance of live racing facilities.

Additional beneficiaries of gaming tax revenue in Maryland include funds for problem gambling initiatives and to support small, minority- and women-owned businesses.

Competitive Landscape

Maryland's six commercial casinos operate in a competitive Mid-Atlantic region that includes properties in Delaware, eastern Pennsylvania and New Jersey. The state's three largest casinos—MGM National Harbor, Live! Casino and Horseshoe Casino Baltimore—also compete with Hollywood Casino in Charles Town, West Virginia, for customers in the populous Baltimore–Washington D.C. metro area.

In terms of sports betting, retail sportsbooks at the MGM, Live! and Horseshoe casinos, as well as those at FedEx Field in Landover and at a sports bar in North Bethesda, compete with five retail sportsbook facilities at Washington D.C.'s three major sports stadiums and other locations. In addition, Maryland's mobile sports betting platforms face a degree of cross-border competition for customers in the Greater Washington D.C. area from mobile sportsbooks licensed to operate in Virginia, as well as from the D.C. Lottery's mobile platform.

Policy & Regulatory Review

Sports Betting

Maryland's sports betting market continued to evolve in 2023 through the licensing of new operators and the adoption of two pieces of legislation to impose new limits on certain marketing activities.

In May, Gov. Wes Moore (D) signed a bill to expressly prohibit Maryland colleges and universities from entering into a marketing partnership with a licensed sports betting operator if either the college or an intermediary receives any form of incentive payment based on student participation in sports wagering. Similar legislation was also approved in 2023 in Connecticut and Louisiana.

A separate bill signed by Gov. Moore in May instructed the Maryland Lottery and Gaming Control Commission to adopt regulations to allow for the licensing of independent evaluators to review sports betting content promoted by operators, content partners or sports betting influencers. The purpose was to ensure the independence and transparency of betting recommendations made to players by touts, affiliate partners or by sportsbooks themselves.

During the year, Maryland regulators also awarded new licenses for four mobile and four retail sportsbook

operators and a new sportsbook facility opened at FedEx Field, home stadium of the NFL's Washington Commanders.

Internet Gaming

In April, Gov. Moore signed an annual budget law that included a provision requiring the Maryland Lottery and Gaming Control Commission to produce an official study on the potential authorization of iGaming in Maryland.

Among other things, the study was required to address the potential size of a regulated iGaming market in Maryland, the estimated impact of iGaming on revenue generated by the state's land-based commercial casinos, and potential mitigations for problem gambling impacts.

The study, produced by an independent consultant on behalf of the commission, was delivered to the Maryland General Assembly in November.

Legislation to authorize iGaming was introduced in the Maryland Senate earlier in 2023 but never advanced out of committee. That bill remained pending for the second year of the 2023-24 session, however. If legislation is approved by Maryland lawmakers, iGaming also would be subject to voter approval in a statewide referendum.