

August 30, 2023

By Email and Electronic Filing  
North Carolina General Assembly  
16 W. Jones Street  
Raleigh, North Carolina 27601

**Re: The General Assembly's Consideration of the Legalization of iGaming in North Carolina**

Dear Chairs Hise, Jackson, and Lee,

The North Carolina General Assembly will address many important issues in 2023 that will chart the economic trajectory of the state for decades to come. As you are likely already aware, various stakeholders are discussing an expansion of VGTs and casino/gaming in North Carolina as part of the 2024 budget authorization.

On behalf of members of the iDevelopment and Economic Association (iDEA), we urge you to provide for the legalization and regulation of iGaming in this conversation. Providing appropriate regulatory and budgetary frameworks for both online and land-based gaming will ensure that North Carolina realizes the full economic potential to be provided by the legalization of these activities.

As the only U.S. organization solely focused on promoting legal, regulated digital gaming, the members of iDEA are excited about the potential for online gaming in North Carolina. Illegal, unregulated gaming and gambling websites are readily available to Tar Heel state residents today on the internet. These prolific sites provide zero protections for children or vulnerable populations; they do not protect financial or credit card data; and they do not keep out organized crime. We encourage you to take this opportunity to extend the protections of legal and regulated online gaming to North Carolina residents who choose to gamble online, while funding important state programs with new tax revenue.

To authorize land-based casinos without providing for online gaming and gambling leaves the field open to illegal players. But it also ignores the realities of life in the 21<sup>st</sup> century. In recent decades, all forms of entertainment – movies, television, music, and social media – have migrated to online mediums. The gaming industry is not immune to this phenomenon. Indeed, embracing this principle, the State of North Carolina recently legalized online sports betting through the ratification of House Bill 347.

We applaud the North Carolina General Assembly's recent legalization of sports betting. As noted by Governor Roy Cooper, legislation that promotes online sports betting – one of the most prevalent forms of online gaming – helps North Carolina remain competitive in an ever-evolving economy in which more and more states are embracing the legalization of gaming. Governor Cooper highlighted that the revenue obtained through the taxation of sports betting will be used to invest in North Carolina's schools, teachers, and students. Governor Cooper's comments recognize both the social benefits and economic opportunities provided by the online gaming industry. Against this backdrop, iDEA urges the North Carolina General Assembly to pass legislation that would legalize all forms of iGaming in the state.

Evidence shows that, like the legalization of sports betting, the legalization of iGaming can stimulate economic growth and create meaningful job opportunities for residents of North Carolina. Several other states, including West Virginia, Michigan, Delaware, and Pennsylvania, have already realized the benefits of legalized iGaming. For example, in October of 2021, Michigan generated more than \$100 million in iGaming revenue. Furthermore, from 2013 to 2018, New Jersey's iGaming industry created more than 6,000 jobs. The evidence speaks for itself: a state-regulated iGaming industry would produce significant economic benefits for all North Carolinians.

The internet gaming experience in every state that has authorized it – Delaware, New Jersey, Nevada, Pennsylvania, West Virginia, and Michigan – has proven, without a doubt, that iGaming is a complimentary offering to land-based casino gaming. When provided with both land-based and online-gaming options, many consumers will engage with *both* platforms – increasing brand loyalty and growing the overall player database rather than substituting online for brick-and-mortar customers and revenues. This was illustrated by New Jersey's legalization of iGaming in 2013. There, after a decade-long downturn in Atlantic City revenues, the land-based casino market stabilized in 2016 and the first quarter of 2017 demonstrated growth in both land-based casino and iGaming revenues. North Carolina's land-based casinos should be permitted to embrace the digital era so they too can reach new customers through online channels.

The legalization of iGaming will maximize potential revenue, provide financial benefits and jobs to North Carolinians, and complement the existing land-based gaming infrastructure. By creating a legal framework for a competitive iGaming market, the General Assembly can meet consumer demand for iGaming while also protecting consumers and implementing responsible gaming tools. Given North Carolina's recent legalization of sports betting, the State already has the tools, expertise, and infrastructure to similarly provide for the regulation of all forms of iGaming.

In every state where iDEA has members, we strive to be a resource for policy makers. To that end, we invite the members of the General Assembly to engage with our members and discuss the legalization of iGaming in the State of North Carolina. Please do not hesitate to contact us with any questions you may have.

Sincerely,



A. Jeff Ifrah  
General Counsel, iDEA Growth  
1717 Pennsylvania Ave, N.W. - Suite 650  
Washington, DC 20006