

May 16, 2025

The Honorable Adrienne A. Jones
Speaker of the House of Delegates
H-101 State House
Annapolis, MD 21401

Dear Speaker Jones,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 328 – *State Lottery – Instant Ticket Lottery Machines – Veterans’ and Fraternal Organizations*.

Currently, in addition to similar types of machines available at the state’s casinos and bingo halls, the Maryland Lottery and Gaming Control Agency (MLGCA) may issue a license for up to five instant ticket lottery machines (ITLMs) to veteran service organizations. This legislation would allow the MLGCA to issue a license for ITLMs to fraternal organizations as well. This would mark a significant expansion of gambling, adding potentially hundreds of new machines at dozens of additional sites in the state. In doing so, it would undercut revenue for the Education Trust Fund that funds the Blueprint for Maryland’s future, reduce revenue for veteran service organizations, and undercut the state’s problem gambling treatment programs.

It is widely accepted among economists who study gambling that once a region is saturated with a certain type of gambling product, there is little elasticity in consumer spending on gambling. In other words, there is a limited pool of money that consumers will spend on gambling if similar games are already widely available. Unless expansions of gambling offer fundamentally different games or platforms, the addition of similar machines simply spreads out existing gambling spending among more machines. In the case of this legislation, there are already thousands of similar machines in the state, so consumers who use the new machines authorized by this bill would almost certainly spend less at existing authorized sites.

As a result, this legislation would undercut the state’s efforts to fund the Blueprint for Maryland’s Future and would reduce revenues that veterans service organizations receive from these machines. The effective tax rate for ITLMs at fraternal organizations as envisioned by this bill would be lower than the tax rate for ITLMs at four of Maryland’s six casinos. Collectively, the state’s casinos provided \$600 million to fund our schools last year, and undercutting that revenue stream would make it even more challenging to fund the Blueprint.

In addition, in the not infrequent circumstance that an individual is a member of both a veterans organization and a fraternal organization, it is likely that individual, if they want to gamble, will do so at the location closest to their home. This almost

certainly means that veterans service organizations will see a reduction in play and revenue on their pre-existing machines. Veteran service organizations play a pivotal role in enhancing Maryland's social, economic, and civic landscape. Lowering veteran service organizations revenue means lowering their impact in the community.

The impact of this legislation on the state's efforts to combat problem gambling is also of significant concern. The MLGCA and Maryland Center of Excellence on Problem Gambling provide extensive programs and support for individuals trying to recover from gambling addiction. HB 328 does not include any responsible gaming protections for slot-like games similar to the machines in casinos, nor does it provide additional funding to support the state's problem gambling programs.

The expansion of gambling is always a challenging question. There is no shortage of deserving and responsible organizations that would benefit from the additional revenue that this expansion of gambling would bring. As a veteran and member of a fraternity, I understand the importance of having spaces for fellowship that works to support the community. But decisions to expand gambling have to be made with full consideration of the negative as well as the positive impacts.

I look forward to continuing to work with the General Assembly to ensure revenues for education, guard against problem gambling, and keep our promise to Maryland's veterans service organizations.

Sincerely,

Wes Moore
Governor