

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 618
Ways and Means

(Delegate Patterson)

Budget and Taxation

State Lottery - Internet Sales of Subscription Plans - Authorization

This bill authorizes the State Lottery and Gaming Control Agency (SLGCA) to establish a system or program that allows an individual to purchase a subscription to play multijurisdictional or jackpot lottery games through an electronic device that connects to the Internet, such as a personal computer or mobile device. SLGCA may allow a licensed agent to sell a voucher that an individual may use to fund the purchase of a subscription. SLGCA must report to specified committees of the General Assembly by December 1, 2026, on State lottery subscription sales as specified. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund revenues increase, likely minimally, beginning in FY 2026 as the availability of Internet subscription plans is not expected to significantly increase subscription plan participation or overall sales of lottery tickets in the State. For example, if lottery subscriptions increase by 500 subscriptions, after accounting for lottery commissions, general fund revenues increase by approximately \$95,000 annually beginning in FY 2026. SLGCA can implement the bill with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: SLGCA must pay the commission rate under current law to a licensed agent that sells a subscription voucher. SLGCA must also pay a licensed agent the

commission rate under current law for the renewal of a subscription that was originally funded by a voucher sold by the licensed agent and is renewed before the subscription's expiration for a period of 24 months from the date of the first renewal.

The bill defines subscription as a method of playing a multijurisdictional or jackpot lottery game by which an individual submits to SLGCA an application to play a game using the same game data for a specified number of consecutive drawings and payment for the drawings.

Current Law: SLGCA may not allow the establishment of any system or program that allows a person to purchase a State lottery ticket through an electronic device that connects to the Internet, such as a personal computer or mobile device.

State Fiscal Effect: SLGCA currently offers State lottery subscriptions for Mega Millions, Powerball, Multi-Match, and Cash4Life games. Subscription players do not currently represent a significant source of revenue for the State Lottery. SLGCA reports it had approximately 6,000 active subscriptions as of December 2024. While there could be an influx of additional subscribers should online subscriptions be allowed, it is not likely to significantly increase the overall lottery player base or State revenues. Thus, general fund revenues increase, likely minimally, beginning in fiscal 2026. For example, if subscriptions increase by 500 from vouchers sold by licensed agents, general fund revenues increase by approximately \$122,000, less approximately \$27,000 of commissions to lottery retailers; the net effect is general fund revenues increase by approximately \$95,000.

Currently, a subscription player must print a State Lottery subscription application from the Lottery's website and mail the completed application to SLGCA, along with a check, for processing. Following review of the application and payment, SLGCA then activates the player's subscription, and the player receives an email that the subscription has been activated for the requested number of drawings. SLGCA anticipates that the institution of Internet-based subscriptions may alleviate some staff time and processing costs. However, implementation of Internet subscription plans would require software upgrades, with associated nominal costs. Therefore, SLGCA can implement the bill, and report to the General Assembly as specified, with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 566 of 2023.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2025
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