



March 9, 2022

The Honorable Guy Guzzone and Members
Budget and Taxation Committee
Miller Senate Building
Annapolis, MD 21401

Re: Support – SB796 – Instant Ticket Lottery Machines – Veterans’ Organizations – Repeal of the Pre-Printed Ticket Requirement

Dear Chairman Guzzone and Members of the Committee:

As a bingo supply distributor that provides bingo gaming supplies to veterans’ organizations as well as commercial bingo halls, I ask that you support SB796 – Instant Ticket Lottery Machines – Veterans’ Organizations – Repeal of the Pre-Printed Ticket Requirement.

My name is Larry Weinstein and I am the President of Atlantic Bingo Supply. We are headquartered in Odenton, Maryland, and began operations in 1988. We are one of the largest distributors in the industry.

SB796 would remove a reference to an obsolete Court of Appeals holding that exists in current law governing Maryland’s Instant Ticket Lottery Machine (ITLM) program run by the Lottery. This reference, which requires the use of devices with “pre-printed tickets”, effectively creates a monopoly in the program for a single manufacturer. In 2012, as the General Assembly debated allowing a sixth casino location in Prince George’s County, along with the introduction of table games, a significant number of members wanted veterans’ organizations to be able to generate revenue through gaming as well. As a compromise, the legislature created the ITLM program, which provides much-needed revenues to the veterans’ halls on the western shore of Maryland by allowing the operation of up to 5 machines each.

The law governing the program references the holding in *Chesapeake v. Riddle*, a Court of Appeals case from 2001 requiring electronic instant bingo machines to operate using pre-printed paper tickets. The case has since been superseded by legislative action. Unfortunately, at the time the ITLM law was passed, no one was aware that only one company still manufactured machines using pre-printed paper tickets. Everyone else in the industry had evolved to utilize more modern technology that provides better accounting and reporting and still meets the standard of predetermination required of electronic instant bingo machines.

Upon solicitation of its RFP for the ITLM program, the Lottery received bids from multiple companies; however, the Lottery could find only one bid technically responsive due to the pre-printed paper ticket requirement, since only one company continues to manufacture a machine utilizing this antiquated technology. The other bids were deemed technically non-responsive because of the reference to the *Chesapeake* case in the law.

As the Lottery begins weighing a new RFP on the ITLM program, this bill simply allows for the use of an updated device that adheres to the predetermination standard required of any electronic instant bingo machine in Maryland. Adoption of this bill will provide the lottery with the ability to achieve competition in the program, thereby yielding a better financial deal for the veterans' halls and the State. It will also provide the halls with more accountability and the players with a more technologically superior and popular device.

We do not believe there is any opposition to this bill. On behalf of Atlantic Bingo Supply Company, I respectfully ask for a favorable report.

Sincerely,

Larry Weinstein
President