

LW Testimony on HB 1315.pdf

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February 28, 2022

The Honorable Vanessa Atterbeary and Members
Ways and Means Committee
House Office Building
Annapolis, MD 21401

**Re: Support – HB 1315 – Instant Ticket Lottery Machines – Veterans’ Organizations –
Repeal of the Pre-Printed Ticket Requirement**

Dear Chair Atterbeary and Members of the Committee:

As the bingo supply distributor that provides bingo gaming supplies to veterans’ organizations as well as commercial bingo halls, I ask that you support HB 1315 – Instant Ticket Lottery Machines – Veterans’ Organizations – Repeal of the Pre-Printed Ticket Requirement.

Headquartered in Odenton, Maryland, Atlantic Bingo Supply company began operations in 1988 and is one of the largest distributors in the industry.

HB 1315 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 and effectively creates a monopoly in the program. In 2012, as the General Assembly debated allowing a sixth casino location in Prince George’s County and the introduction of table games, a significant number of members wanted veterans’ organizations to generate revenue through gaming as well. As a compromise, the legislature created the ITLM program, which is run by the Lottery and provides revenues to the veterans’ halls on the western shore of Maryland that can operate 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2001 requiring electronic instant bingo machines to operated using pre-printed paper tickets and which has since been superseded by subsequent legislative action.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 technologically to utilize more modern “print on the fly” technology that 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. Any other bids were deemed technically non-responsive because of the reference to the *Chesapeake* case in the law.

As the Lottery weighs a new RFP on the ITLM program given the impending expiration of the current contract, this bill simply allows for the use of any machine that adheres to the predetermination standard required of any electronic instant bingo machine in Maryland. This will provide the lottery an

opportunity to achieve competition in the program, thereby likely yielding a better financial deal for the veterans' halls and the State, and will provide the halls and players with more technologically-advanced and popular machines that cater to the playing public's wants.

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

Larry Weinstein
President