

Senate Bill 850 Testimony FINAL.pdf

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Position: FAV

SENATE BILL 850

State Lottery - Ticket Purchase and Delivery by Third-Party Entity – Authorization (Sen. Zucker)

Testimony of Jackpot.com and Jackpocket in Support

Millions in Immediate Revenue

Lottery Couriers add millions in incremental sales simply by marketing and facilitating the digital ordering of the state lottery's existing games. There's no need for a state procurement or complicated government tech rollout – couriers can start selling games within weeks of the state's approval at no cost to the state.

Other states consistently see an increase of 15-20% in lottery sales following the introduction of lottery couriers. Research shows that couriers are drawing in new, wealthier, younger players – *not* cannibalizing existing retail lottery sales.



No Expansion of Gaming, No Impediment to Other Options

- Maryland legislators continue to consider whether to implement a state-sponsored iLottery program, internet-based casino gaming, and more.
- Because they only offer games that are already available, courier services are not an expansion of gaming.
- Couriers are a solution that can coexist with these programs or serve as an intermediate single step.

High Tech Guardrails

Couriers employ digital safeguards to protect consumers and ensure compliance with Maryland law

- Third-party digital age and ID verification
- Third-party digital geolocation to ensure in-state order
- Responsible gambling protocols including maximum deposit and spend limits and self-exclusion.
- Anti-Money Laundering program that undergoes annual third-party audit

How Does It Work?

- Customer places order for a game – Mega Millions, Powerball, or other lottery offerings – using a courier's app or website.
- Courier fulfills order in person at a fully licensed, compliant retail location in the state.
- Courier shares a digital copy of the ticket through the site or app, securely stores the physical ticket pending drawing.
- If the customer wins, the winnings are deposited in the customer's account.¹
- Couriers are paid upon funding the account; no fees placed on product orders or winnings.

¹ Winnings in excess of \$600 are claimed by the customer obtaining the actual physical ticket and claiming in-person at the state lottery office. This ensures compliance with child support enforcement rules.

SB 850- Senator Zucker- Senate.pdf

Uploaded by: Senator Craig Zucker

Position: FAV

CRAIG J. ZUCKER
Legislative District 14
Montgomery County



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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 850- State Lottery - Ticket Purchase and Delivery by Third-Party Entity -
Authorization
March 5th, 2025
1:00pm
Position: Favorable

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Taxation Committee. It is my pleasure to testify today in support of **Senate Bill 850- State Lottery - Ticket Purchase and Delivery by Third-Party Entity - Authorization.**

Senate Bill 850 would authorize lottery courier services in Maryland. This legislation would allow Maryland to join 18 other jurisdictions, including DC, where consumers can order lottery tickets through websites or mobile apps.

Customers place the order through a courier app. The actual purchase, however, happens at a standard, licensed lottery terminal where a paper ticket is generated. The customer then receives an image of the ticket to confirm the purchase was validity fulfilled, while the physical paper ticket is stored securely by the courier. Should the winnings be less than \$600, the courier claims the prize and credits the customer's account. For a jackpot over \$600, the customer claims the prize in person using the ticket, consistent with standard lottery rules. Couriers generate revenue when customers fund their accounts. There is no markup on ticket prices, and couriers take no portion of winnings.

States with courier services consistently see a 15%-20% increase in lottery sales. For Maryland, this could generate approximately \$100 million in additional annual revenue without any state expenditure. Data from other states confirms these are new sales, not simply shifting purchases away from traditional brick-and-mortar vendors. This revenue can be realized quickly - within about three months - unlike iLottery programs that require years to implement due to procurement processes. Additionally, authorizing lottery couriers does not preclude Maryland from pursuing iGaming or iLottery programs later, if desired. Our platforms include responsible gaming features like play amount limits to prevent problem gambling, and these protections can be incorporated into regulations. We have been working closely with the Maryland Lottery to develop amendments ensuring the Lottery maintains regulatory oversight over a courier program.

I respectfully request a **favorable report on Senate Bill 850**. Thank you for your consideration.

SB850 testimony B&T.pdf

Uploaded by: Kirk McCauley

Position: UNF



WMDA/CAR Service Station
and Automotive Repair Association

Chair: Senator Guy Guzzone, Vice Chair Senator Jim Rosapepe, Member of Budget, and Taxation Committee

RE: SB850 State Lottery -Ticket Purchase and Delivery by Third Party Entity-Authorization

Position: Oppose

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations convenience stores and repair facilities across the state as a non- profit trade group.

The Fiscal and Policy Note says it all, "the bill does not have a material impact on State lottery Revenues."

No impact on revenue means the third party entity is taking away from brick and mortar agents with no gain in revenue to the State of Maryland. Our lottery agents took a massive hit on their program last year with a reduction in cashing commission and a reduction in selling commission. This would only add to that loss.

The third party entity that was at the table on House side was a company from Malta. Texas had third party entity selling lottery tickets and that has been suspended, and an investigation is underway over millions in lottery winnings.

Stakeholders are collaborating with Maryland lottery to let current agents sell subscriptions and develop other programs, helping over 4000 state agents and increasing sales with Maryland businesses and thousands of their employees.

Please Give SB850 an Unfavorable Report

Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

Joint Casino Testimony on SB 850 (Lottery courier-

Uploaded by: Mark Stewart

Position: UNF



To: Senate Budget and Taxation Committee

Date: March 3, 2025

Re: Testimony in Opposition to and Request for Amendment re: Senate Bill 850 (State Lottery – Ticket Purchase and Delivery by Third-Party Entity – Authorization)

Maryland’s six casinos oppose SB 850 as currently drafted, and request consideration of an amendment to ensure that the bill does not inadvertently authorize the availability of "slot machine-like" lottery games offered for play online in Maryland.

SB 850 would allow third-party entities to purchase State Lottery tickets on behalf of individuals in Maryland and to deliver those tickets to the individuals. However, the bill does not place any restrictions or parameters on the method of ticket delivery. Specifically, SB 850 does not preclude the delivery of Lottery tickets over the Internet. Further, a Lottery “ticket” as defined in law includes an instant ticket game, commonly known as a “scratch-off” ticket. Accordingly, as drafted, the bill could result in the unintended consequence of allowing the play of digital instant ticket games online.

There is virtually no distinction between a digital, online instant ticket game and the video lottery terminal games on our casino floors.

- To the player, digital scratch-offs look, feel and play just like a slot machine, frequently with slot-like bonus games within the game and other slot machine features.
- The math and mechanics behind digital scratch-off Lottery games are the same as a slot machine.
- The prize structure for digital scratch-off games is the same as a slot machine.

Increasing the availability of slot-like games through the Lottery will negatively impact State gaming revenues to fund public K-12 education and other important programs.

- Maryland has greatly benefitted from its casino gaming program. Since the inception of the program, the Education Trust Fund has received over \$6 billion in casino revenues, \$601 million in FY2024 alone.
- In FY2024, casino revenue also contributed:
 - \$105m in local aid
 - \$94m to Maryland's horse racing industry
 - \$20m to the Maryland's Small, Minority and Women-owned Business Fund
 - \$4.5m to the Responsible Gaming Fund

The partnership between Maryland and its VLT licensees is one of the most successful partnerships to fund public education in the nation. It is critical that the Maryland General Assembly protect the funding streams so important to these State programs.

An amendment to SB 850 could ensure that the bill is not misapplied so as to open the door to digital scratch-offs offered and/or played online in Maryland. We respectfully request that the sponsor and Committee consider accepting such an amendment and propose the following be added as subsection (G)(3) to SB 850:

“(3) A third-party entity acting pursuant to this subsection shall not deliver a State Lottery ticket purchased by an individual in the State to the individual electronically or over the Internet. Notwithstanding any other provision of law, a State Lottery ticket may not be played by an individual online or over the Internet.”

Absent an amendment to preclude the online delivery and play of Lottery tickets, we respectfully request no favorable report on SB 850.

SB 850 Maryland Center of Excellence on Problem Ga

Uploaded by: Mary Drexler

Position: UNF



March 5, 2025

Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB 850 – State Lottery – Ticket Purchase and Delivery by Third-Party Entity
– Authorization – Letter of Opposition

Dear Chair Guzzone:

This letter is in opposition to *Senate Bill 850 – State Lottery – Ticket Purchase and Delivery by Third-Party Entity – Authorization*. This bill authorizes the State Lottery and Gaming Control Agency to allow licensed agents to enter into an agreement with third-party entities to allow those entities to purchase and deliver State lottery tickets on behalf of individuals in the State.

A person must be at least 18 years old to play the Lottery, which is verified by the retailer at the time of purchase and there are penalties for a retailer who sells to a minor. This bill takes away the ability of the retailer to confirm the age of the purchaser and puts the onus on a third party with no such penalties for violation. Research from the alcohol industry makes it clear that third-party delivery services are not checking IDs before delivering an age-restricted product. Last year, the Wine & Spirits Wholesalers of America released survey results stating that on average, people who purchase alcohol fail to get their IDs checked by delivery personnel 25% of the time.ⁱ

This bill will increase the risk of youth access to a product that is addictive, and age restricted. We urge an unfavorable report. If you would like more information, please contact Mary Drexler at mdrexler@som.umaryland.edu.

Sincerely,

Mary Drexler, MSW

ⁱ <https://www.bevindustry.com/articles/96338-wswa-alcohol-shipping-study-shows-25-of-adults-report-no-id-checks>

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Uploaded by: Mike O'Halloran

Position: UNF



Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
410-693-2226 ★ www.mapda.com

TO: Senate Budget & Taxation Committee

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: March 5, 2025

RE: **SENATE BILL 850** – State Lottery – Ticket Purchase and Delivery by Third-Party Entity – Authorization

On behalf of Maryland's convenience store marketers and energy distributors, MAPDA urges the committee to issue an unfavorable report on SB850.

This legislation would authorize the State Lottery and Gaming Control Agency to allow for a third-party courier service to purchase and deliver lottery products to players.

A primary concern is the negative impact this bill would have on in-store sales. The likelihood is they would suffer as lottery players who customarily purchase snacks, beverages, fuel, and other items with their lottery products will no longer be in our stores.

Lottery courier services are relatively new with a handful of states authorizing their use. Moving lottery players from a traditional in-person transaction to a digital one comes with inherent risks of fraud and unlicensed operators. Recently, the Texas Lottery Commission [issued a ban on all lottery courier operations](#)¹ in the state. The Commission along with the Governor and Attorney General have launched investigations looking into Texas courier operations after suspicious jackpot wins.

Finally, our members are especially concerned this bill paves the way for full fledged online lottery. Something MAPDA adamantly opposes.

Thank you for your consideration. We urge the Budget & Taxation Committee to issue an **UNFAVORABLE COMMITTEE REPORT on SB850.**

¹ The Texas Tribune, "Investigations into the Texas Lottery grow after courier controversy", accessed March 2, 2025, <https://www.texastribune.org/2025/02/26/texas-lottery-courier-ban-investigations/>

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.