



**March 17, 2025**

**The Honorable Chair Vanessa Atterbeary & Vice Chair Jheanelle Wilkins  
Maryland House of Delegates  
130 Taylor House Office Building  
131 Taylor House Office Building  
Annapolis, Maryland 21401**

**Re: Concerns Regarding SB 860 and Its Impact on Payment Processors**

Dear Chair Atterbeary, Vice-Chair Wilkins, and Distinguished Members of the Ways and Means Committee,

On behalf of the Electronic Transactions Association (ETA), the leading trade association representing the payments industry, I appreciate the opportunity to express our concerns regarding SB 860. Collectively, ETA members process \$52 trillion annually, operating within an efficient and effective payments system.

I am writing to express our concerns regarding SB 860, which contains provisions that could have unintended and significant consequences for the payments industry. While we understand and appreciate the bill's intent, the current language would inadvertently impose undue burdens and potential liabilities on financial institutions and payment processors.

Specifically, the language in Section (2) states:

"AN APPLICANT FOR A LICENSE, A PERSON HOLDING A LICENSE, OR A FINANCIAL INSTITUTION, PAYMENT PROCESSOR, GEOLOCATION PROVIDER, GAMING CONTENT SUPPLIER, PLATFORM PROVIDER, OR MEDIA AFFILIATE OF A PERSON HOLDING A LICENSE MAY NOT SUPPORT THE OPERATION, CONDUCTING, OR PROMOTION OF AN ONLINE SWEEPSTAKES GAME IN THE STATE."

Our primary concerns with this provision are as follows:

**1. Payment Processors Are Not Law Enforcement:**

Payment processors facilitate transactions for a wide range of merchants across various industries, but they are not designed to act as law enforcement or regulatory agencies. Payment systems are built to understand the nature of merchants' businesses but are not equipped to monitor whether merchants are running promotions, contests, or sweepstakes. Requiring payment processors to

determine compliance with this provision would be an overreach and place an impractical burden on the industry.

## **2. Increased Legal and Criminal Liability:**

The broad language of SB 860 could create unintended criminal liability for payment processors and financial institutions simply for processing transactions on behalf of merchants that may be running sweepstakes. This creates an unfair compliance risk for businesses that do not have the capability to actively monitor all merchant promotions.

## **3. Unintended Expansion of Jurisdiction:**

This provision does not just impact the intended targets but also pulls payment processors, financial institutions, and other service providers into its jurisdiction. Many of these entities do not have direct control over a merchant's decision to run a sweepstakes, making enforcement unclear and impractical.

We urge you to consider amending this language to ensure that financial institutions and payment processors are not inadvertently held liable for activities beyond their scope of control. ETA would welcome the opportunity to discuss alternative approaches that achieve the bill's goals without creating unnecessary burdens on our industry.

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We appreciate you taking the time to consider this important issue. If you have any questions or wish to discuss further, please contact me.

Respectfully,



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