



To: House Ways and Means Committee

Date: February 4, 2025

Re: Testimony in Opposition to and Request for Amendment re: House Bill 539 (State Lottery – Ticket Purchase and Delivery by Third-Party Entity – Authorization)

Maryland’s six casinos oppose HB 539 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.

HB 539 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, HB 539 does not preclude the delivery of Lottery tickets over the Internet. Further, as drafted, the bill could result in the unintended consequence of allowing the play of digital instant ticket game (“scratch-off tickets”) 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.
- 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 FY24 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 HB 539 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 HB 539:

“(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.”