

Lottery Couriers in Maryland One Pager 2026.pdf

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Position: FAV

LOTTERY COURIERS IN MARYLAND: HB371/ SB708

Millions in Near-Term Revenue | No Expansion of Gaming | No Impediment to Other Options

In 17 other jurisdictions, lottery couriers allow customers to place an order for state lottery games by app or website that is then fulfilled at a licensed lottery retailer in the state. Couriers serve as a high-tech way to connect modern customers to the traditional lottery, generating millions in additional revenues by offering a new way for players to engage with lottery games.

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.

Sage Policy Group has opined that couriers in Maryland will generate an additional \$400M in lottery sales, translating to \$100M in annual state revenues when fully implemented. 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.

Couriers seek out and serve a different demographic than one that typically plays lottery at retail, bringing in new players & revenue without harming licensees.



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 industry-leading technology to ensure a safe, secure and responsible gaming experience, such as:

- Third-party digital age verification
- Third-party digital geolocation to ensure in-state order
- State of the art detection and prevention of problem gaming behavior

How Does It Work?

- Customer places order for a game – MegaMillions, 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 app, securely stores the physical ticket.
- If the customer wins, the winnings are deposited in the customer's account.¹
- Couriers do not mark up the price of a ticket or take any cut of customers' 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.

SB708- State Lottery - Courier Services - Licensu

Uploaded by: Craig Zucker

Position: FAV

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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 708- State Lottery - Courier Services - Licensure
March 11th, 2026
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 708- State Lottery - Courier Services - Licensure**.

Senate Bill 708 would authorize the Director of the State Lottery and Gaming Control Agency to issue a license to certain persons to conduct lottery courier services in Maryland. This legislation would allow Maryland to join 17 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. The customer will have the option to obtain the original ticket if they wish. Customers should be notified within 24 hours of drawing of a winning ticket and its prize value. 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.

This bill was introduced in 2025 as SB850. Last session we worked closely with the Maryland Lottery to develop amendments for SB850 ensuring the Lottery maintains regulatory oversight over a courier program. Senate bill 708 includes those amendments to ensure transparency and fairness for consumers. First, this bill clarifies that a licensed courier can only charge a service

fee that is a percentage of the amount deposited by the customer into their account and no additional fees. Any fees charged by couriers for a transaction must be clearly displayed on both the mobile app and their website. The customer must accept and consent to the charge before completing the transaction ensuring that they are informed on the fees they will be paying. This bill requires that licensed couriers maintain an internet website that identifies itself as a licensed courier and the website must prominently display a Problem Gambling Assistance Message. They must also maintain a database of all stored lottery tickets and their purchaser. Couriers will be required to safeguard the personal information of their customers including bank account information, debit card numbers, and other similar information. Couriers will verify the identity, age, and physical location of their customers to ensure that sales are occurring in Maryland. Finally, this bill permits the Director to adopt certain regulations in the implementation of this bill including: Establishing standards and qualifications for licensed couriers and their employees and limiting the number of terminals couriers may use at a single location.

I respectfully request a **favorable report on Senate Bill 708**. Thank you for your consideration.

DraftKings Testimony - SB0708 - Budget and Taxatio

Uploaded by: Julin Shaw

Position: FAV



Maryland Budget and Taxation Committee

Testimony in Support of Senate Bill 0708

March 11, 2026

Chair Guzzone, Vice Chair Rosapepe, and distinguished Members of the Budget and Taxation Committee,

Thank you for the opportunity to submit written testimony in support of Senate Bill 708. My name is Julin Shaw, and I have spent more than seventeen years working in the lottery industry. Early in my career, I worked here in Maryland where I served as the account manager for the Maryland Lottery's scratch off ticket vendor. Throughout my career, I have partnered with lotteries across North America on a range of modernization initiatives, including digital second chance programs, loyalty platforms, and iLottery solutions.

In my current role as Senior Director of Business Development at DraftKings, my focus remains on helping lotteries responsibly expand participation and generate incremental revenue by engaging new and evolving consumer segments. Lottery courier services represent one such modernization strategy—one that has proven effective in supporting incremental revenue for the good causes lotteries across the country are designed to fund.

DraftKings is a leading U.S.-based digital sports entertainment and gaming company with extensive experience operating in highly regulated environments. In 2024, DraftKings acquired Jackpocket, the nation's leading lottery courier service, which operates in seventeen U.S. states and territories including New York, New Jersey and DC, in full compliance with all applicable laws and regulations. With more than a decade of operational experience, Jackpocket adheres to rigorous standards governing age and identity verification, geolocation, data security, responsible gaming, and secure ticket handling. Our experience in markets where lottery couriers are regulated, such as New York and New Jersey, demonstrates that clear statutory authority and strong oversight allow lottery courier services to operate transparently and responsibly while supporting the lottery's core mission of generating revenue for public benefit.

Senate Bill 708 responds to an undeniable reality facing state lotteries nationwide: consumer purchasing behavior has fundamentally changed, and it is not going back. Remote work has reduced daily commuting and routine stops at convenience stores; electric vehicles mean fewer visits to gas stations; and grocery and meal delivery services have significantly reduced in-person retail trips. As a result, consumers are encountering lottery products less frequently in their day-to-day lives—especially as same-day and next-day access to nearly every product increases the consumer expectation for convenience, speed, and security of digital transactions.

The Maryland Lottery must be able to meet consumers where they are. SB 708 does exactly that by establishing a transparent, state-regulated framework for lottery courier services. The bill empowers the Lottery to set clear rules, enforce strong consumer protections, and maintain full oversight of courier activity.

A central strength of SB 708 is that it modernizes access while preserving Maryland's existing lottery structure and traditional retail ecosystem. All lottery tickets continue to be physically purchased from licensed retail agents. The bill does not authorize digital ticket issuance, direct online lottery sales, or any changes to how lottery games are offered by the State. Licensed couriers act solely as agents of the consumer, executing purchase instructions while keeping the point of sale firmly within the established retail framework.

Experience from other states demonstrates that integrating regulated courier services strengthens retail lottery performance. In states such as New York and New Jersey, licensed courier services account for approximately 15 percent of daily draw game ticket sales. From FY2020 through FY2024, this added capacity contributed to a 29.3% increase in traditional draw game sales in New Jersey and an 11% increase in New York. SB 708 provides Maryland with the same opportunity to both protect consumers and drive meaningful incremental revenue for the lottery.

From a fiscal perspective, Senate Bill 708 creates an opportunity to generate incremental lottery revenue by capturing demand that is currently unmet under existing distribution models. Based on our experience in other markets where couriers operate in partnership with state lotteries, our models anticipate incremental lottery sales of approximately \$450 million by the third year of operations, particularly when leveraging the benefit of the DraftKings mobile platform, existing player database, and cross-marketing capabilities.

Courier services also expand the Lottery's reach to new and incremental players—particularly a digitally native, mobile-first audience that often does not engage through traditional retail channels due to changes in work patterns, transportation habits, or payment preferences. By accommodating these evolving routines, SB 708 helps ensure the Lottery remains relevant, accessible, and competitive for a broader segment of Maryland residents.

Introducing Jackpocket as a regulated lottery courier creates a unique cross-sell opportunity that benefits the Maryland Lottery through DraftKings' existing digital customer base. DraftKings invests significant resources in acquiring and engaging sports betting customers, many of whom are not current lottery players. Through targeted, compliant marketing, these players can be introduced to lottery products via Jackpocket, expanding the Lottery's reach to new and incremental participants. In fact, in markets where DraftKings and Jackpocket both operate, peak engagement moments—such as the August 2025 Powerball jackpot exceeding \$1 billion coinciding with the start of the NFL season—demonstrated the strength of cross-sell from sports betting to lottery, converting approximately 12 times more new lottery players than lottery-to-sports conversion. This cross-sell strategy drives additional lottery ticket purchases without requiring the Lottery to incur customer acquisition costs, allowing Maryland to benefit from DraftKings' marketing investment while increasing overall lottery sales and returns to the state.

In addition, regulated courier services deliver significant value through independent marketing investment. Jackpocket invests millions of dollars annually in marketing efforts that increase

awareness of lottery products across digital channels, reaching audiences that traditional retail marketing does not consistently capture. These efforts amplify the Lottery's visibility, promote jackpots and games, and introduce lottery participation to new communities and demographics, all at no cost to the state. This marketing support enhances the Lottery's brand presence and contributes to long-term growth.

Companies like Jackpocket operate transparently and in close coordination with state lotteries to provide players with a secure and compliant way to participate. SB 708 strengthens this framework by establishing clear, enforceable standards for licensed couriers, including age and identity verification, in-state geolocation controls, secure ticket handling and storage, data privacy protections, and responsible gaming tools.

Consumer protection—and responsible gaming in particular—is central to Jackpocket's operations. Jackpocket is iCAP certified by the National Council on Problem Gambling, a designation that reflects adherence to the industry's highest standards for consumer safeguards, including employee training, player education, data-driven monitoring, and ongoing evaluation of responsible gaming practices. Jackpocket offers a comprehensive suite of responsible gaming tools, including deposit and spending limits, controls that allow players to manage approved payment methods, and multiple options for taking breaks from play—such as cool-off periods, self-exclusion, and “Bet Blocker” functionality. Since becoming part of DraftKings, Jackpocket has also integrated enhanced responsible gaming capabilities, including “My Stat Sheet,” which enables players to track their spending across DraftKings products in one place. These tools are reinforced by DraftKings' industry leadership in responsible gaming, most recently recognized by Eilers & Krejciek's January 2026 report, *“Product Analysis: Preliminary Testing of Responsible Gaming on OSB Apps,”* which ranked DraftKings as the most well-liked app for responsible gaming based on user experience, tool quality, and feature depth. Together, these measures ensure that any expansion of lottery access through regulated courier services is accompanied by robust, best-in-class consumer protections.

In closing, Senate Bill 708 provides the Maryland Lottery with the right framework to develop comprehensive, thoughtful regulations and to responsibly introduce lottery courier services. By adding a courier sales channel, the Lottery can modernize and diversify its distribution network in a way that reflects today's consumer realities—where traditional retail purchase opportunities are less frequent and less predictable. Experience across the country is clear: states that have introduced regulated digital distribution, whether through courier services, iLottery, or both, have strengthened and diversified their lottery sales channels to better reflect modern consumer behavior—a trend reflected regionally as the neighboring DC Lottery moves forward with finalizing regulations for its courier program. SB 708 positions Maryland to achieve the same outcome—modernization with oversight, growth with safeguards, and increased value for the state.

For these reasons, we respectfully support a favorable outcome on the bill. Thank you for your thoughtful review of this important opportunity and I am happy to address any questions you may have.

Julian Shaw
Senior Director, Business Development
DraftKings

Jackpot.com Budget and Taxation Committee Written

Uploaded by: Melissa Kelly

Position: FAV



To: Maryland General Assembly, Senate Budget and Taxation Committee
From: Paul Prezioso, VP of Legal, Compliance & Regulatory Affairs at Jackpot.com
Date: March 11, 2026
Re: Statement in Support of SB708 (Zucker)

Thank you for the opportunity to submit written comments in support of SB 708, legislation that would authorize and regulate lottery courier services in Maryland.

My name is Paul Prezioso, and I serve as Vice President of Legal, Compliance & Regulatory Affairs for Jackpot.com, a licensed lottery courier operating in multiple regulated jurisdictions across the United States. I appreciate the Committee's thoughtful consideration of this carefully structured proposal and welcome the opportunity to provide additional context regarding how lottery couriers operate, the safeguards embedded in this bill, and the demonstrated benefits to state lottery systems, retailers, and consumers.

SB 708 represents a measured, well-regulated modernization of lottery distribution that builds upon proven models already in place in neighboring and peer states, including New York, New Jersey, Washington DC and Massachusetts.

How Lottery Couriers Operate

Lottery courier services allow age-verified, in-state adults to place orders for existing state lottery tickets through a secure website or mobile application. Those tickets are physically purchased and printed at licensed Maryland lottery retailers, stored securely, and delivered or redeemed strictly in accordance with Maryland Lottery and Gaming Control Agency rules.

Importantly, SB 708:

- Does not create new lottery games;
- Does not authorize iLottery;
- Does not expand gaming; and
- Does not eliminate or bypass retailers.

Rather, it authorizes a regulated delivery channel for games that Maryland already offers, while preserving the retailer-centric model at the core of the State Lottery.

Significant Incremental Revenue for the State

Experience from other jurisdictions demonstrates that lottery couriers generate meaningful, incremental lottery sales rather than merely shifting existing purchases.

Independent economic analysis and real-world data from states such as New York, New Jersey, Colorado, Oregon, and Arkansas show that:

- Courier introduction is associated with 15–20% increases in lottery sales over time
- Overall sales continue to grow even where couriers are active
- States see hundreds of millions of dollars in new lottery revenue after implementation

Conservative projections indicate that licensed courier operations in Maryland could generate hundreds of millions of dollars in additional ticket sales, translating into tens of millions of dollars annually (projecting up to \$99M) in new revenue for State beneficiaries, including education and other public priorities, at no cost to the State and no procurement process.

Strong Responsible Gaming and Consumer Safeguards

SB 708 establishes a regulated framework that enhances consumer protection beyond what is possible in an unregulated or informal environment.

Courier platforms operate with robust safeguards, including:

- Third-party identity and age verification
- Real-time geolocation to ensure in-state play
- One-account-per-player controls
- Deposit and spend limits
- Self-exclusion and cooling-off tools
- Independent testing, AML programs, and ongoing audits

SB 708 places these systems under direct Lottery oversight, ensuring transparency, enforceability, and accountability. Regulation protects Maryland consumers while giving the State clear authority over licensing, enforcement, and compliance.

Retailers Benefit from the Courier Model

Lottery couriers would be required to operate from licensed retail locations. Independent studies consistently conclude that couriers supplement rather than supplant retail sales and can actually increase retailer commissions by expanding the overall market.

Courier advertising is funded entirely by private companies, not the State, and promotes the Maryland Lottery as a whole, driving customers to all points of sale, including traditional retail locations. Courier customers skew younger, digital-first and are less likely to be frequent retail purchasers. Most courier users are new or infrequent lottery players.

Lottery couriers have demonstrated the ability to attract new customers and raise incremental revenues for the Lotteries in the other states in which we operate. The data is clear that couriers do not cannibalize sales from existing retailers but rather are growing the player pool and reaching new demographics, resulting in revenue growth for the Lottery. Sales increase everywhere, including at retail, as the Lottery offers more channels for game distribution.

Experience in Other States Confirms the Model Works

Maryland would not be charting new territory; sixteen states and the District of Columbia currently permit lottery couriers to operate. These programs have generated significant new revenue while maintaining strong regulatory oversight and responsible-gaming protections. Our service allows players who are otherwise not engaging with lottery products, especially younger and more mobile-first consumers, to participate safely and securely.

With this legislation, Maryland could serve as a model for other jurisdictions in how to regulate courier services effectively through licensing, technological oversight, enforcement authority, and close coordination with lottery regulators. Experience with the courier model in other jurisdictions demonstrates that this proven model can be effectively implemented in Maryland.

Conclusion

Senate Bill 708 offers Maryland an opportunity to modernize lottery distribution while strengthening consumer safeguards, protecting retailers, and generating substantial new revenue for the State.

The evidence from other jurisdictions is clear: regulated lottery couriers grow the lottery market, attract new players, and increase revenues without harming retailers. SB 708 adopts that proven model in a responsible manner.

For these reasons, I respectfully urge the Committee to issue a favorable report on SB 708.

Respectfully submitted,



Paul Prezioso
Vice President of Legal, Compliance & Regulatory Affairs
Jackpot.com

2026 SB 708 Maryland Center of Excellence on Probl

Uploaded by: Blair Inniss

Position: UNF



March 11, 2026

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

RE: SB 708 – State Lottery - Courier Services - Licensure

Dear Chair Guzzone:

The Maryland Center of Excellence on Problem Gambling (the Center) strongly opposes *SB 708 – State Lottery - Courier Services - Licensure*. This bill authorizes the Director of the State Lottery and Gaming Control Agency to allow licensed agents to enter into an agreement with licensed couriers to allow couriers to purchase and deliver State lottery tickets on behalf of individuals in the State.

In the United States, 30–64-year-olds buy the most lottery tickets, while players aged 50–64 pay the most every week.¹ Courier apps draw in a younger audience; according to the first licensed third-party lottery courier app in the U.S., 58% of its users fall within the 18 - 40 age range.² This bill will entice a younger demographic to play the lottery more often by making it more accessible through the internet.

We urge an unfavorable report. If you would like more information, please contact Heather Eshleman at heshleman@som.umaryland.edu or (667) 214-2120.

Sincerely,

Heather Eshleman, MPH

Director of Operations
Maryland Center of Excellence on Problem Gambling
Office Direct: 667-214-2120
Email: heshleman@som.umaryland.edu

¹ Lotto Life: Who Plays the Lottery, <https://www.lotto.com/magazine/who-plays-the-lottery>

² <https://jackpocket.com/team>

Joint Casino SB 708 (iLottery - courier service 20

Uploaded by: Mark Stewart

Position: UNF



To: Senate Budget and Taxation Committee

Date: March 9, 2026

Re: Testimony in Opposition to and Request for Amendment re: Senate Bill 708 (State Lottery – Courier Services – Licensure)

Maryland’s six casinos oppose SB 708 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 708 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 708 does not preclude, and specifically permits, the delivery of Lottery tickets over the Internet. See Section 9-111.1(e)(6).

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.
- 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 \$6.6 billion in casino revenues, \$606 million in FY25 alone.
- In FY2025, casino revenue also contributed:
 - \$105m in local aid
 - \$95m 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 708 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 9-111.1(D)(3) to SB 708:

“(3) The Director shall preclude a licensed courier from delivering 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.”

SB708_MAPDA_unfav (2026).pdf

Uploaded by: Mike O'Halloran

Position: UNF



Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
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TO: Senate Budget & Taxation Committee

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: March 11, 2026

RE: **OPPOSE SENATE BILL 708** – State Lottery – Courier Services – Licensure

On behalf of Maryland's convenience store marketers and energy distributors, MAPDA urges the committee to issue an unfavorable report on SB708.

This legislation would authorize the State Lottery and Gaming Control Agency (SLGCA) to create a courier services license.

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 their lottery products will no longer be in our stores to also purchase snacks, beverages, fuel, and other items.

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.

As the SLGCA pointed out in the fiscal note, this bill has the potential to decrease revenues for small businesses.

It is also important to point out the courier experience in other states. Texas banned couriers last year after a sophisticated plot was uncovered that had led to two fraudulent jackpot winnings. And as noted in the testimony of a courier service operator in last year's testimony on HB539 – couriers actually front their own retail establishment in other states where they operate as a way to operate multiple ticket terminals in the back of the store.

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 SB708.**

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.

SB 708 - State Lottery - Courier Services - Licens

Uploaded by: Jennifer Beskid

Position: INFO

Maryland Lottery and Gaming Control Agency



Wes Moore, Governor • John Martin, Director

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TTY users use Maryland Relay
www.mdlottery.com

DATE: March 11, 2026
BILL NO.: Senate Bill 708
BILL TITLE: State Lottery - Courier Service - Licensure
COMMITTEE: Senate Budget and Taxation
POSITION: Information

The Maryland Lottery and Gaming Control Agency (Agency), provides the following information regarding *State Lottery - Courier Services - Licensure*.

Bill Summary:

Senate Bill (SB) 708, creates a new section §9-111.1 under the State Government Article. This new section defines courier service and licensed courier, establishes responsibilities for the Agency Director, authorizes the online ordering of lottery tickets via a licensed courier, authorizes licensed couriers to charge a fee for their service, and establishes parameters for licensed couriers.

SB 708 would exempt licensed couriers from State Government Article §9-111 and this exemption would authorize the establishment of a system that allows a person to order lottery tickets via a licensed courier through an electronic device that connects to the Internet such as a personal computer or mobile device. The licensed courier would be the party that actually purchases the ticket(s) on behalf of the consumer. Specifically, §9-111.1 proposes:

(C) (2) A licensed courier may:

(i) Establish a system or program through an electronic device that connects to the Internet that allows a person in the State to purchase a lottery ticket through the online account of the licensed courier.

(ii) Enter into an agreement with a licensed agent to purchase a lottery ticket to fulfill an order placed through the online account of the licensed courier.

Background:

The Maryland Lottery consists of draw game tickets and two types of instant-win tickets: scratch-off games, and FAST PLAY games. In FY2025, Lottery sales were \$2.633 billion, marking the fourth-best performance in the Maryland Lottery's 52-year history. Scratch-off ticket sales led the way at \$1.059 billion, surpassing the \$1 billion mark for the fourth consecutive year.

Profits returned to the State from the sale of Lottery tickets totaled \$667.2 million, including \$519.2 million in contributions to the state's General Fund, which provides budgets for a wide array of programs and

services, including schools and public health and safety initiatives. The State's budget allocated the remaining \$148 million in Lottery profit across 13 other State funds.

Retailer sales and cashing commissions totaled \$195.7 million, an average of more than \$45,000 per retailer. As of the end of FY2025, the Lottery had 4,279 retail locations across the State. The Lottery offers 11 draw games and introduces approximately 50 new scratch-off tickets and 20 new FAST PLAY instant games each year. Passage of SB 708 does not specify whether the games that could be purchased through a courier would be limited to draw games.

Considerations:

In practice, §9-111.1 does not describe the process by which the consumer is actually purchasing a ticket from a retailer. Instead, it authorizes the online order and sale of tickets via a licensed courier, which creates uncertainties about ownership of the lottery ticket, should the courier also be a licensed retailer, the games that may be played via a courier service, how prizes between \$1 - \$600 are to be claimed and the payment of commissions for cashed tickets.

Authorizing licensed couriers is counterintuitive to the manner in which the Maryland Lottery has successfully operated since its inception. In addition, SG § 9-111(e) prohibits the Agency from allowing the electronic purchase of lottery tickets using the Internet.

For the reasons stated above, the Agency provides this information for your consideration during deliberation of SB 708.