

Maryland Lottery and Gaming Control Agency



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TO: Chair Jheanelle Wilkins

FROM: Jennifer Beskid, Director Legislation and Policy

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SUBJECT: LOI - House Bill 371, State Lottery - Courier Services - Licensure

House Bill (HB) 371, *State Lottery - Courier Services - Licensure*, 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.

HB 371 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.

The Maryland Lottery (“Agency”) 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 HB 371 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 HB 371.