

Maryland Lottery and Gaming Control Agency



Wes Moore, Governor • John Martin, Director

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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: Paula Yocum, Managing Director, CFO

DATE: February 12, 2026

SUBJECT: Report for the February Commission Meeting

This is a status update of ongoing and special projects in Accounting.

I. BUDGET

• FISCAL YEAR 2026 Appropriation

Program	Appropriation	Budget Amendments	Revised Appropriation
Lottery	\$105,387,507	\$0	\$105,387,507
VLT General Fund	9,509,836	37,230	9,547,066
VLT Special Fund	13,684,335	0	13,684,335
Sports Wagering and Fantasy Gaming	3,874,584	62,208	3,936,792
Total	\$132,456,262	\$99,438	\$132,555,700

• FISCAL YEAR 2027 Budget Request

The Governor has included the Agency in the Fiscal Year 2027 Budget Request as follows:

Program	Proposed
Lottery	\$107,336,098
VLT General Fund	\$10,050,126
VLT Special Fund	\$13,638,893
Sports Wagering and Fantasy Gaming	\$4,080,762
Total	\$135,105,879

The Agency's budget hearings were as follows:

Senate Budget and Taxation Committee Public Safety, Transportation, and Environment Subcommittee Senator Shelly Hettleman, Chair February 13, 2026 - 11:30 a.m.	House Appropriations Committee Education and Economic Development Subcommittee Delegate Stephanie M. Smith, Chair February 19, 2026 – 1:00 p.m.
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II. ACCOUNTING/FINANCE

• Promotion Fund (Unclaimed Prizes)

○ Beginning Balance as of December 31, 2025	\$7,838,734
○ Estimated increase in January, 2026	\$1,472,678
○ Estimated usage in January, 2026	<u>(\$973,111)</u>
○ Estimated Ending Balance as of January 31, 2026	\$8,338,301

- **Lottery Retailer Incentives**
Lottery retailer incentives totaled \$860,912.39 for calendar year 2025 and will be included in the retailers' compensation amount on the 1099-NEC, where applicable.

III. **FANTASY COMPETITION**

- Fantasy Competition Operator quarterly tax forms and tax revenue for the quarters ending:

QUARTER ENDING	AMOUNT COLLECTED FOR QUARTER
September 30, 2025	\$268,864.74
December 31, 2025	\$318,450.34
March 31, 2026	Not available yet
June 30, 2026	Not available yet
FY 2026 Total	\$587,315.08

IV. **CUSTOMER RESOURCE CENTER**

- **Claims:** Customers continue to make appointments to claim prizes using the scheduling page on mdlottery.com. Lottery winners without internet access can schedule appointments by phone. All Lottery retailers are authorized to cash winning tickets up to \$600; Expanded Cashing Authority (XCAP) retailers can cash tickets up to \$5,000; Winning tickets up to \$25,000 can be cashed without appointments at all Maryland casinos.

Data concerning the number of and amount of winners' claims processed by the Lottery, the casinos, and XCAP retailers are noted below:

CLAIMS PROCESSED BY LOTTERY AND CASINOS – January, 2026				
LOCATION	COUNT	AMOUNT	YTD COUNT	YTD AMOUNT
Baltimore - HQ	981	\$12,916,728	6,709	\$58,089,371
Casinos	102	\$1,215,107	801	\$9,536,335

XCAP PROCESSING – January, 2026			
COUNT	AMOUNT	YTD COUNT	YTD AMOUNT
7,584	\$14,257,002	50,099	\$92,753,648

- **Subscriptions:** The Lottery's Customer Resource Center is also responsible for processing subscriptions. Multi-Match®, Powerball®, and Mega Millions® subscriptions can be purchased for 13, 26, or 52 weeks. Cash4Life® subscriptions were only able to be purchased for 13 weeks through December 15, 2025. No additional Cash4Life subscriptions have been sold after that date.

Data concerning subscriptions is noted below:

SUBSCRIPTIONS – January, 2026		
GAME	NUMBER PROCESSED FOR THE MONTH	NUMBER OF ACTIVE
Multi-Match®	233	1,253
Mega Millions®	171	1,011
Powerball®	348	1,917
Cash4Life®	0	143
TOTAL	752	4,324

- **Prize Interceptions:** The Lottery is required by statute to withhold any Child Support or Central Collections Unit (CCU) debts that winners of prizes over \$600 owe.

Data concerning prize interceptions is noted below:

PRIZE INTERCEPTIONS – January, 2026		
TYPE	INTERCEPTED THIS MONTH	INTERCEPTED FYTD 2026
Child Support	\$10,369	\$67,822
Central Collections Unit	\$158,696	\$1,025,859

V. SPECIAL PROJECTS

- The Agency is assisting Montgomery County, Maryland and the Maryland Department of Transportation with the Grant Revenue Bonds (FLASH Bus Rapid Transit Project), Series 2026 Bonds, for the design, development and improvement, and construction of a major public transit investment aimed at improving mobility and access along the Maryland 355 corridor.

Because the capital improvements projects will be funded in part by lottery revenues, the Maryland Lottery & Gaming Control Agency is assisting the Montgomery County, Maryland and the Department of Transportation in the debt service preparations. The department and other Agency personnel have been participating in the compilation and review of documents required for the grant revenue bond offerings; assisting the credit rating agencies in the determination of the credit rating for this offering through presentation of various Lottery information to the rating agency personnel; and participating in the due diligence conducted by the Underwriter in connection with the issuance of the bond.