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First and foremost, I think the pandemic has demonstrated to state lotteries – and likely also to state legislators – that lottery products need to be available to consumers online and on mobile devices in order to enable state lotteries to mitigate the business downturn and stay-at-home restrictions that may result from a national health emergency like the recent coronavirus pandemic.

In Massachusetts, where lottery products are not available online or via mobile devices, weekly sales during the coronavirus peak in the State were reported to be down 33% from the same week a year before.¹ Massachusetts Treasurer Deborah Goldberg (who oversees the Lottery in Massachusetts) told lawmakers: “This pandemic has dramatically exposed the limitations and vulnerabilities of the lottery’s all-cash, in person business model.”² Goldberg added that States with online lottery options instead saw a surge in demand. For example, the New Hampshire Lottery saw first-time online lottery players increase by 38% from February to March, with online lottery revenue for the same period increasing by 10%.³ The Michigan Lottery also saw a spike in first-time online players,⁴ and the Pennsylvania Lottery said that during the final full week of March, online play was up 29 percent on the equivalent week in February.⁵

Finally, in this regard, the Boston Herald editorial staff wrote on March 26, 2020:

Massachusetts lawmakers could not have foreseen the coronavirus pandemic and its disastrous effect on the economy. But it shouldn’t take the threat of a public health crisis to spur the Legislature into green-lighting a boost to the state’s revenue. All that was needed was the ability to strike while the iron was hot and give the nod for the Lottery to go online.

But it didn’t.

And Massachusetts is literally poorer because of it, a misstep highlighted by the COVID-19 outbreak and its financial fallout.

It wasn’t for State Treasurer Deb Goldberg’s lack of trying. She sent a bill legalizing an online Massachusetts State Lottery to lawmakers in December 2018. Sen. Eric P. Lesser, D-Longmeadow, noted at the time:

“It’s impossible to envision the lottery surviving without going online,” said Lesser.

But the Legislature didn’t bite. Not even the example of neighboring states New Hampshire and Maine, which offered online lottery options and reaped the fiscal benefits, could budge Beacon Hill.⁶

Second, there may be a change in how physical lottery tickets are sold in retail outlets in order to facilitate social distancing. Such a change could, for example, involve the increased use of player-activated lottery ticket vending machines.

During the peak of the pandemic, some state lotteries were criticized for selling tickets inside stores, critics fearing that lines of customers waiting to purchase lottery tickets jeopardized the health and safety of store employees and other store customers.⁷ Indeed, in Michigan some called upon the State to shut down the sale of physical lottery tickets, arguing that the Michigan Lottery was not an essential business and that such sales were not being conducted in accordance with the State’s virus mitigation directives.⁸ In response, the Michigan Lottery notified lottery retailers on April 1, 2020 “that they must immediately stop selling Lottery products if they are not following all requirements of the [State’s “Stay Home, Stay Safe”] order.”⁹ In addition, the Michigan Lottery urged players to “only purchase Lottery tickets at a store if they [were] already there purchasing necessary items.”¹⁰ In addition to Michigan, “[n]ews reports from multiple states – including Connecticut, Pennsylvania, Vermont, Florida, California, and Oregon – suggest[ed] that concern about lottery players congregating in stores [was] prevalent.”¹¹

Accordingly, I would expect that there will be renewed consideration of how physical

lottery tickets are sold, and this may lead to changes in sale methods, such as increased use of player-activated lottery ticket vending machines in order to reduce congestion in stores.

Again, I think the experience of the coronavirus pandemic points to the desirability of state lotteries making their games available online and via mobile devices so as to mitigate declines in the sale of physical lottery tickets in the event a health emergency or other emergency makes it necessary that residents stay in their homes for long periods of time.

In the immediate post coronavirus world, I expect people will travel less. While I think this will create opportunities for local recreation, I think people will continue to be conscious of social distancing – at least in the Northeast United States – long after virus mitigation restrictions are eased. So, for example, I expect the wearing of masks to become much more common in the Northeast United States than it was prior to the coronavirus pandemic (when one rarely saw masks), and I expect the six-foot social distancing standard to become common – even when no longer recommended. As examples of this, I expect to see increased spacing between tables in restaurants and increased spacing between machines in casinos. Moreover, some people may refrain from attending events or places where there will be large numbers of people and social distancing is either not possible or poorly enforced.

As a result, I think the post-coronavirus environment will create incentives for the accelerated development of new and/or new types of online and mobile games, and games that one may play via smart televisions or game consoles. By way of example, several vendors have developed new types of virtual sports games (i.e., not involving a real-world sports event) upon which wagers can be made.

I think cooperation in ways to reduce congestion in retailer stores is one way to reinforce the symbiotic relationship between state lotteries and lottery retailers. Increasing the use of player-activated lottery ticket vending machines is one way in which the length of regular checkout lines may be reduced, thereby reducing store congestion and facilitating social distancing.

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