

TO: Maryland Lottery and Gaming Control Commission  
Gordon Medenica, Director

FROM: James Butler, Managing Director  
Organizational Compliance

DEPARTMENTS: Government Relations and Human Resources

DATE: January 19, 2021

SUBJECT: Report for the January 2021 Commission Meeting

---

Following is the status update of ongoing topics in Government Relations and Human Resources for January

## **I. GOVERNMENT RELATIONS**

### **1. Legislative Update**

On January 13, 2021, the Maryland General Assembly (MGA) convened for the 442<sup>nd</sup> Legislative Session. Below are the six (6) bills of interest, from the forty-six (46) bills that I am currently tracking during the 2021 session. In addition, the Department of Legislative Services (DLS) has requested that the Agency respond to nine (9) bills in an effort to determine the fiscal and operational impact on the Agency or Commission, and to assist DLS in preparing its fiscal and policy note on the proposed legislation.

### **LOTTERY BILLS OF INTEREST**

**HB371** - *State Lottery - Instant Ticket Lottery Machines - Fraternal Organizations (ITLMs for Homeless Veterans Act)*. (Del. Young). This bill would authorize the Lottery Director to issue fraternal organizations a license for not more than five instant ticket lottery machines (ITLM). This bill also would require that 10% of the proceeds from the sale of these game tickets through ITLMs go into a special fund to be used by the Maryland Department of Housing and Community Development's Division of Neighborhood Revitalization to assist veterans and their families. In addition, the first \$100,000 from these proceeds would be distributed to the Maryland Department of Veterans Affairs' Outreach and Advocacy Program for the development and maintenance of a website and social media pages to publicize veterans' programs. The House Ways and Means Committee had a bill hearing on HB371 on January 14, and no committee vote has been taken. The bill sponsor has included our previously recommended amendments to this bill. This bill has been submitted in past legislative sessions, but has never received a favorable Committee vote.

### **GAMING BILLS OF INTEREST**

**HB388/SB45** - *State Lottery and Gaming Control Agency - Gaming Study - Use of Gaming Proceeds*. (Sen. Patterson & Del. Turner). This bill would require the Agency to conduct a study on the distribution and use of local impact grants, the use of the Problem Gambling Fund, and the use of video lottery proceeds distributed to the Small, Minority, and Women-Owned Business Account. The Agency must report its findings to the Governor and the General Assembly by December 1, 2021. The Senate Budget and Taxation Committee bill hearing is scheduled for January 20, at 11:00 a.m., and the House Ways and Means Committee bill hearing is scheduled for January 21 at 1:30 p.m. A similar bill, passed the Senate last session and was referred to the House Ways and Means Committee, but no further action was taken.

**HB136** - *Election Law - Campaign Contributions - Alterations and Prohibition on Sports and Event Wagering Business Entities.* (Del. Cardin). This bill would prohibit sports and event wagering business entities and certain individuals employed by the entity or a video lottery operator from directly or indirectly making contributions to campaign finance entities. This bill is contingent on the enactment of legislation implementing sports and event wagering. The House Ways and Means Committee had a bill hearing on HB136 on January 19, and no committee vote has been taken.

**HB403** - *Video Lottery Operation License - Renewal.* (Del. Ebersole). This bill would alter the number of years before the end of the term of a video lottery operation license that a licensee is required to provide the Agency with its notice of intent to renew the license and apply for renewal. This bill also would require Commission to renew the license unless the Commission makes a finding that the licensee is no longer qualified to hold a license. This bill would require the licensee to pay an annual fee for a 15-year renewal license term and require the Commission, on a certain date each year, to adjust this fee to reflect an increase in the Consumer Price Index. The renewal license fee would be deposited into Education Trust Fund. The House Ways and Means Committee bill hearing is scheduled for January 21 at 1:30 p.m. A similar bill, was introduced last session in the House Ways and Means Committee, but no further action was taken.

**SB243** - *Public High Schools - Health Education - Gambling Dangers and Addiction.* (Sen. Simonaire). This bill would require the State Department of Education, on or before July 1, 2022, to develop a program for educating children on the dangers of gambling and for gambling addiction to be provided in public schools. The bill would require the program to be coordinated with other State agencies responsible for gambling addiction education and also authorize county boards of education to require each public high school to include instruction in grades 9 through 12, beginning in the 2022-2023 school year and annually thereafter. The Senate Education, Health, and Environmental Affairs Committee bill hearing is scheduled for January 20, at 3:00 p.m. A similar bill, passed the Senate last session and was referred to the House Ways and Means Committee, but no further action was taken.

**HB532** - *Allegany County - Video Lottery Terminals - Distribution of Proceeds.* (Allegany County Delegation). This bill would alter the distribution of proceeds from video lottery terminals at a facility in Allegany County after 10 years of operations at the facility. A similar bill, passed the Senate last session and was referred to the House Ways and Means Committee, but no further action was taken.

## **II. HUMAN RESOURCE MATTERS**

The Human Resources (HR) Department continues to monitor and educate Agency managers and supervisors on COVID-19 related medical absences and teleworking procedures. HR is continually monitoring each COVID-19 related medical issue independently to ensure that our employees stay safe and protected. HR continues to notify Agency employees and third-parties of individuals testing positive for COVID-19.

HR has submitted eighteen (18) hiring freeze exception requests to the Department of Budget and Management (DBM) for approval. DBM has approved sixteen (16) of our exception requests, and HR continues the recruitment process for these approved positions. HR will submit a new request to DBM for the two remaining positions and possibly some additional positions required to continue our regulatory and revenue raising functions.