

# Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



Montgomery Park Business Center  
1800 Washington Blvd., Ste. 330  
Baltimore, Maryland 21230

Tel: 410-230-8800  
TTY users call Maryland Relay  
www.mdlottery.com

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

FROM: James Butler, Assistant Deputy Director, Chief of Staff

DEPARTMENTS: Government Relations, Human Resources, and Procurement

DATE: February 23, 2023

SUBJECT: Report for the February 2023 Commission Meeting

---

Following is the status update of ongoing topics in Government Relations, Human Resources, and Procurement for February.

## I. GOVERNMENT RELATIONS MATTERS

### 1. Legislative Update

The Agency recently hired a Director of Legislation and Policy Development, Mr. Sean Ford. Sean hit the ground running on February 1, tracking bills of interest, drafting testimony, and meeting with legislators and staff to discuss their proposed bills. Sean formally worked for Del. Eric Ebersole as his Legislative Director and also worked for former Comptroller Franchot as his Deputy Legislative Director. Below are five (5) bills of interest, from the forty-nine (49) bills that Sean is currently tracking during the 2023 session. In addition, the Department of Legislative Services (DLS) has requested that the Agency respond to twenty-seven (27) 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.

#### A. Lottery Bills of Interest

- i. [\*\*SB267\*\*](#) - **Internet Gaming - Authorization and Implementation** (*Senators Watson and King*) – This bill would authorize the Commission to issue iGaming licenses to video lottery operators to conduct or participate in Internet gaming operations in the State. In addition, the bill would authorize the Governor, on recommendation of the Commission, to enter into multijurisdictional Internet gaming agreements with certain other jurisdictions and submit this Act to a referendum of the qualified voters of the State. The Senate Budget and Taxation Committee conducted a bill hearing on February 15, but the Committee has yet to take a vote on this bill. The Chair of the Committee announced that a workgroup would be established to further discuss the potential implementation of this bill. Our office has been in touch with the bill sponsors to get a better idea of the intent and scope of the proposed bill.
- ii. [\*\*HB 217\*\*](#) - **Video Lottery Operation License – Renewal** (*Delegates Ebersole, Charles, and Wilkins*) - This bill would alter the number of years from two, to at least 2 but not more than 5, before the end of the term of a video lottery operation license that a licensee is required to provide notice of intent to renew the license and is

authorized to apply for renewal and provide for a 15-year term for a renewed license. In addition, this bill would require MLGCC to renew a gaming license unless the Commission finds the licensee is no longer qualified. The House Ways and Means Committee conducted a bill hearing on February 9, but the Committee has yet to take a vote on this bill. The Agency is also tracking Senator Nancy King's bill (SB537) that would require the Commission to set the renewal fee for the licensee, a process that is consistent with all other license renewal fees under the Commission's authority. The Senate Budget and Taxation Committee will hold a bill hearing on March 1 at 1:00 p.m., to discuss this Senate bill.

- iii. **[HB566](#) - State Lottery - Internet Sales of Subscription Plans - Authorization (*Delegate Ebersole*)** - This bill would authorize the Agency to allow the establishment of a system or program that allows for the purchase of a State lottery subscription plan through an electronic device that connects to the Internet. The House Ways and Means Committee will hold a bill hearing on February 23 at 1:00 p.m.

## **B. Gaming Bills of Interest**

- i. **[SB621](#) - Gaming - Sports Wagering - Independent Evaluation of Sports Wagering Content (*Senators Zucker and Hettleman*)** - This bill would require the Commission, by December 31, 2023, to identify and accredit independent evaluators to evaluate sports wagering content provided by sports wagering experts, sports wagering influencers, and content partners. In addition, the bill would require the Commission to establish standards of practice governing sports wagering content and require sports wagering licensees and sports wagering operators to contract with independent evaluators for certain purposes. The Senate Budget and Taxation Committee will hold a bill hearing on March 8 at 1:00 p.m. Our office has been in touch with the bill sponsors to get a better idea of the intent and scope of the proposed bill.
- ii. **[HB1102](#) - Gaming - Sports Wagering - Exemption for Sports-Based State Lottery Game (*Delegate D. Barnes*)** - This bill would exclude from the definition of "sports wagering" the sale or purchase of State lottery game tickets on which selections are made by the player or randomly generated and for which the winning numbers are randomly generated and based on the outcome of actual sporting events. The House Ways and Means Committee will hold a bill hearing on March 2 at 1:00 p.m.

## **2. Budget Hearings**

The Agency is currently scheduled to appear before the following subcommittees to discuss our FY24 budget submission:

- March 2 at 1:00 p.m. - House Appropriations Subcommittee on Transportation and the Environment
- March 3 at 11:30 a.m. - Senate Budget and Taxation Subcommittee on Public Safety, Transportation, and Environment

## **3. SWARC Update**

The Sports Wagering Application Review Commission (SWARC) held a virtual monthly meeting on Wednesday, February 15, 2023. At this meeting, SWARC unanimously approved the license awards

for two (2) mobile sports wagering applicants and three (3) sports wagering facility applicants. I presented SWARC with three (3) Diversity Plans submitted by sports wagering facility awardees for their review and consideration. After each presentation, SWARC voted on whether the awardee's Diversity Plan was in compliance with the requirements detailed in Section B of the Sports Wagering Application Addendum. SWARC voted unanimously to approve all submitted plans and also voted unanimously to post all approved plans on SWARC's website so that the plans would be made available to the public. SWARC's next meeting is scheduled for March 15, at which time SWARC will consider five (5) Diversity Plans submitted by recent sports wagering awardees.

## **II. HUMAN RESOURCES MATTERS**

The Human Resources (HR) Department is preparing the Agency's annual Bullying Report for submission to DBM. In addition, HR is working on Standard Operating Procedures (SOPs) to allow the Agency to operate in a cohesive and consistent manner. HR continues to focus on recruiting for sports wagering positions and backfilling other positions as they become available.

## **III. PROCUREMENT MATTERS**

The Procurement Department works closely with all Divisions to support the Agency's daily operations to include, but not limited to, procurement of printing of POS materials and various information sheets/brochures to support all games; promotional items, sponsorship agreements for events; and supplies/equipment for the Lottery's internal use, as well as the processing of all payments under \$5,000.00 using the State P-Cards and monthly reconciliation of bank statements.

The Agency has implemented a comprehensive ordering/inventory tracking management system. This system has been in place for approximately one month. The intent of this system is to reduce paperwork and ensure internal sections receive their desired goods and services.

*RFP for Auditing and Accounting Services for MLGCA (#2022-10):* The primary responsibilities for this Contractor will be to audit, on a monthly basis, the Agency's special-purpose financial statements as well as to audit the Agency's year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Potential offeror submitted proposals in response to the subject RFP, and the RFP Evaluation Committee has met to review the submitted proposals. The Committee ultimately will make a recommendation to the Director for contract award. There are MBE opportunities under this contract.

*Ravens Licensing Contract:* This is a sole source Licensing Contract that was recently completed and is now awaiting signatures from all parties concerned. The Agency desires to use the Baltimore Ravens NFL football team marks and logos for two Instant Ticket Lottery Games and one Instant Ticket Terminal Game known as Fast Play, as well as use supporting marketing and advertising materials at Lottery retailer locations to support the promotional campaign for the tickets. Further, the Agency desires to purchase several game tickets and experiential packages to be used as player prizes in conjunction with the promotional campaign. This Licensing Contract is necessary in order to obtain the rights to use these marks and logos as well as to purchase the exclusive prizes. There are no MBE or VSBE opportunities under this Licensing Contract.

*Abacus/Blackhawk Network Contract:* This is a sole source contract that is currently being evaluated by staff. The Agency has had several discussions with Abacus/Blackhawk Network staff about their product, which is a Quickcard lottery ticket. The Agency has no existing capability to perform the

distribution of this ticket, and Abacus / Blackhawk currently have the gross infrastructure in place with select vendors to accommodate this contract tasking. The communication interface between the Abacus/Blackhawk system and the Lottery's central system will enhance the sales of Quickcards to customers that the Agency otherwise would not be able to reach. This is a small procurement, so there are no MBE opportunities under this contract.

*RFP for Veterans' Organizations Instant Ticket Lottery Machines (ITLMs) and Related Services:* The ITLM program launched in September 2014, and the current contract expires in February 2024. ITLMs are lottery vending machines with spinning video reel animation that generates revenue for the benefit of the Veterans' Organizations and the State of Maryland. The Procurement Director and ITLM Program Manager have met to discuss the existing contract and expectations for a new contract. The Procurement Director is in the process of drafting a new RFP. Currently, 91 Veterans' Posts in Maryland have ITLMs installed in their locations. There are MBE opportunities under this contract.

MBE/VSBE/SBR Activities: A summary of MLGCA's MBE/VSBE participation is attached.