

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

DEPARTMENTS: Government Relations, Human Resources, and Procurement

DATE: February 22, 2024

SUBJECT: Report for the February 2024 Commission Meeting

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

## I. GOVERNMENT RELATIONS MATTERS

### A. Legislative Update:

Below are fourteen (14) bills of interest, from the one hundred and fourteen (114) bills, that we are currently tracking during the 2024 session. In addition, the Department of Legislative Services (DLS) has requested that the Agency respond to twenty-nine (29) 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.

#### 1. Lottery Bills of Interest

- a. **HB1218**—*State Lottery - Internet Sales Authorization and Distribution of Proceeds (Delegates Patterson, Fennell, and Kaiser)*—This bill would authorize the State Lottery and Gaming Control Agency to allow a person to purchase a State lottery ticket through an electronic device that connects to the Internet, and alter the distribution of certain lottery proceeds. The House Ways & Means Committee has scheduled a bill hearing for February 29, at 1:00 p.m.
- b. **SB1013/HB1159**—*State Lottery - Instant Ticket Lottery Machines - Veterans' and Fraternal Organizations (Senator Charles and Delegate Ebersole)*—This bill would authorize the Director of the State Lottery and Gaming Control Agency to issue certain fraternal organizations a license for not more than five instant ticket lottery machines, alter the distribution of proceeds from certain instant ticket lottery machine sales by a veterans' organization, repeal a requirement that certain veterans' organizations purchase or lease certain instant ticket lottery machines. The Senate Budget & Taxation Committee has scheduled a bill hearing for February 28, at 1:00 p.m., and the House Ways & Means Committee has scheduled a bill hearing for February 22, at 1:00 p.m.

#### 2. Sports Wagering Bills of Interest

- a. **HB132**—*Sports Wagering Campaign Contributions Parity Act of 2024 (Delegate Cardin)*—This bill would repeal the prohibition on applicants for and holders of video lottery operation licenses and persons who own an interest in video lottery facility operations in the State from directly or indirectly making contributions to the campaign finance entity of a candidate for any nonfederal public office in the State or any other

campaign finance entity organized in support of a candidate for any nonfederal public office in the State. The House Ways & Means Committee conducted a bill hearing on January 17, but the Committee has yet to take a vote on this bill.

- b. **[SB272/HB224](#)—*Sports Wagering - Sports Wagering Assistance Fund - Repeal (Department of Commerce departmental bill)*—This bill would repeal provisions of law establishing the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund. The House Ways & Means Committee conducted a bill hearing on January 17, but the Committee has yet to take a vote on this bill. The Senate Budget & Taxation Committee conducted a bill hearing on January 18, but the Committee has yet to take a vote on this bill.**
- c. **[HB526](#)—*Sports Wagering - Licenses and Application of Minority Business Enterprise Program Requirements (Delegates Buckel and Wilkins)*—This bill would require the Sports Wagering Application Review Commission, subject to certain limitations, to accept and consider applications for sports wagering facility licenses and mobile sports wagering licenses submitted before January 1, 2026, and alter the termination date of certain provisions of law requiring the application of the Minority Business Enterprise Program to the sports wagering industry. The House Ways & Means Committee conducted a bill hearing on February 8, but the Committee has yet to take a vote on this bill.**
- d. **[SB903](#)—*Prince George's County - Mobile Sports Wagering Proceeds - Local Impact Grant (Senator Muse)*—This bill would require a mobile sports wagering licensee that is part of an ownership group that operates a video lottery facility in Prince George's County to pay \$3,500,000 each year from the proceeds of mobile sports wagering to the Comptroller to be used for local impact grants to nonprofit organizations and municipalities located within 6 miles of the video lottery facility. The Senate Budget & Taxation Committee has scheduled a bill hearing for February 28, at 1:00 p.m.**
- e. **[SB1066/HB1291](#)—*Sports Wagering - Independent Evaluation of Sports Wagering Content - Required (Senator Zucker and Ferguson, and Delegate Attar)*—This bill would require, rather than authorize, certain sports wagering licensees and sports wagering operators that advertise in the State to contract with certain independent evaluators to evaluate and rate the sports wagering licensee's sports wagering content, sports wagering experts, sports wagering influencers, and content partners. The Senate Budget & Taxation Committee has scheduled a bill hearing for February 28, at 1:00 p.m., and The House Ways & Means Committee has scheduled a bill hearing for February 29, at 1:00 p.m.**

### 3. Gaming Bills of Interest

- a. **[SB83/HB1391](#)—*Video Lottery Terminals - Distribution of Local Impact Grants - Town of Forest Heights (Senator Muse and Delegates Valderrama, Turner, and Woods)*—This bill would alter the distribution of proceeds from video lottery terminals by increasing, from \$120,000 to \$1,000,000, the amount of the local impact grant to be paid to the Town of Forest Heights. The Senate Budget & Taxation Committee conducted a bill hearing on January 18, but the Committee has yet to take a vote on this bill. The House Ways & Means Committee has scheduled a bill hearing for March 7, at 1:00 p.m.**
- b. **[SB603](#)—*Internet Gaming - Authorization and Implementation (Senator Watson)* —This bill would authorize the State Lottery and Gaming Control Commission to issue certain licenses to certain video lottery operators and certain qualified applicants to conduct or participate in certain Internet gaming operations in the State, authorize the Governor, on recommendation of the Commission, to enter into certain multijurisdictional Internet gaming agreements with certain other governments, subject to certain limitations; and submit the Act**

to a referendum of the qualified voters of the State. The Senate Budget & Taxation Committee has scheduled a bill hearing for February 28, at 1:00 p.m.

- c. **HB1192—*Video Lottery Employee Licenses - Crimes of Moral Turpitude - Alterations (Delegates Feldmark, Griffith, Atterbeary)***—This bill would alter the circumstances under which the State Lottery and Gaming Control Commission is required to disqualify an applicant who committed a certain crime involving moral turpitude from holding a video lottery employee license. The House Ways & Means Committee has scheduled a bill hearing for February 29, at 1:00 p.m.
- d. **HB1252—*Gaming - Study on Video Lottery Terminals at Baltimore-Washington International Thurgood Marshall Airport (Delegates Metzgar and Hornberger)*** – This bill would require the State Lottery and Gaming Control Commission to conduct a study on the feasibility of granting a video lottery operation license for a video lottery facility at Baltimore-Washington International Thurgood Marshall Airport, and require the Commission, on or before October 1, 2024, to report its findings and recommendations to the General Assembly. The House Ways & Means Committee has scheduled a bill hearing for February 29, at 1:00 p.m.
- e. **HB1319—*Internet Gaming - Authorization and Implementation (Delegate Atterbeary)***—This bill would authorize the State Lottery and Gaming Control Commission to issue certain licenses to certain qualified applicants to conduct or participate in certain Internet gaming operations in the State; authorize the Governor, on recommendation of the Commission, to enter into certain multijurisdictional Internet gaming agreements with certain other governments, subject to certain limitations; and submit the Act to a referendum of the qualified voters of the State. The House Ways & Means Committee has scheduled a bill hearing for February 26, at 1:00 p.m.

#### 4. Local Bills of Interest

- a. **SB415/HB277—*Frederick County - Local Gaming and Authorization for Electronic Tip Jar Dispensers (Senator Lewis Young and Delegate Kerr)***— This bill would authorize, subject to certain provisions of law, a person that operates a tip jar in Frederick County to operate an electronic tip jar dispenser that does not connect to the Internet or to a server; and alter certain obsolete language in provisions of law governing gaming in Frederick County. The Senate Budget & Taxation Committee conducted a bill hearing on January 24, but the Committee has yet to take a vote on this bill. The House Ways & Means Committee conducted a bill hearing on February 1, but the Committee has yet to take a vote on this bill.
- b. **SB627—*Horse Racing - Satellite Simulcast Betting - Alterations ( Senator McKay)***—This bill would transfer the regulation of satellite simulcast betting facilities in the State from the State Racing Commission to the State Lottery and Gaming Control Agency, alter the definition of "satellite simulcast betting", for purposes of provisions of law governing satellite simulcast betting and permit to hold satellite simulcast betting, to authorize pari-mutuel betting at a satellite simulcast facility in the State on a race that is simulcast from a sending track located in certain states. The Senate Budget & Taxation Committee has scheduled a bill hearing for February 28, at 1:00 p.m.

#### B. Budget Hearings:

The Agency had its budget hearings on February 14 and February 19, before the following subcommittees to discuss our FY25 budget submission: The House Appropriations Subcommittee on Education and Economic Development, and the Senate Budget and Taxation Subcommittee on Public Safety, Transportation, and Environment, respectively.

### C. Regulations:

The Agency received one set of comments to our proposed regulations that appeared in the December 29 edition of *the Maryland Register*. See for the proposed regulations <https://dsd.maryland.gov/MDRIssues/5026/Assembled.aspx> and for the comments – <https://www.mdgaming.com/wp-content/uploads/2024/02/DK-Maryland-Formal-Comments-on-Proposed-Regulations-for-Gaming-Sports-Wagering-Video-Lottery-Terminals-and-Instant-Bingo-Machines-Submitted-1.29.24.pdf>. Once the Agency has reviewed the comments, we will present our recommendations to the Commission for its review and consideration. A Notice of Final Action on the proposed regulations will be filed sometime after the Commission’s decision.

### D. SWARC Update:

The Sports Wagering Application Review Commission (SWARC) is unlikely to hold its next meeting in March 2024, lacking the MLGCC finding any applicants suitable for Sports Wagering licenses before the next SWARC meeting. See <https://swarc.org/meeting-records/> for more details.

## II. **HUMAN RESOURCES MATTERS**

The Human Resources (HR) department continues to focus on recruiting for sports wagering positions and backfilling other positions around the Agency so that the we meet the Department of Budget and Management’s (DBM) vacancy rate reduction plan for the Agency.

We have begun interviewing candidates for the HR Director position, and hope to extend an offer in the coming weeks through the direct appointment process. Our incoming HR Manager will start on March 6.

## III. **PROCUREMENT MATTERS**

John Lloyd, Director of Procurement, and his team continue to process procurement requests as expeditiously as possible. Below are a few procurement matters that the Agency is currently working on:

*Regarding the Agency’s Lottery Central Monitoring and Control System (LCMCS) #2015-01, we continue the Request for Proposals (“RFP”) development process for this major procurement and have met with staff to brainstorm on specific requirements to include in this RFP. In addition, we have begun the process to establish the Minority Business Enterprise (“MBE”) and the Veteran-Owned Small Business Enterprise (“VSBE”) goals for this RFP. Our current Lottery Central Systems contract expires in May 2025. We will seek a contract extension at the end of 2024, to allow adequate time for the new contract to be in place.*

*Regarding the 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 September 2024. ITLMs are lottery devices that use animation to display pre-determined play results that generate revenue for the benefit of the Veterans’ Organizations and the State of Maryland. Currently, 91 Veterans’ Posts in Maryland have ITLMs installed in their locations.*

*Regarding the RFP for Advertising, Digital, Web and Social Media Services, the current contract started in May 2019 and was set to expire on June 30, 2022, but the Agency exercised the available two-year option, which will expire on June 30, 2024. This RFP will encompass two specialties, including Functional Area I – Creative Development, Production, Digital, Website and Research Services, with an MBE goal of 29% and Functional Area II - Media Planning and Buying Services, with an MBE goal of 4%. There is also a VSBE goal of 1% under this RFP.*