

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: April 24, 2024

SUBJECT: Report for the April 2024 Commission Meeting

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

I. GOVERNMENT RELATIONS MATTERS

A. Legislative Update:

On April 8, at midnight, the Maryland General Assembly concluded its 2024 legislative session. We tracked one hundred and seventeen (117) bills during the 2024 session. In addition, the Department of Legislative Services (DLS) requested that the Agency respond to thirty (30) 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. Of the twenty-four (24) lottery, gaming, sports wagering, and ancillary gaming bills of interest that we tracked, only four (4) of these bills passed, which are noted:

- a. **[HB1192](#)—*Video Lottery Employee Licenses - Crimes of Moral Turpitude - Alterations (Delegates Feldmark, Griffith, Atterbeary)*—This enrolled bill alters 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, and its alters the definition of "value" as it relates to crimes involving theft to include the face value of a chip designated for use in table games. The full House passed this bill (135-2), and the full Senate passed the bill (44-0). If signed by the Governor, this bill would go into effect on July 1, 2024.**
- b. **[SB415/HB277](#)—*Frederick County - Local Gaming and Authorization for Electronic Tip Jar Dispensers (Senator Lewis Young and Delegate Kerr)*— This enrolled bill authorizes, 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 alters certain obsolete language in provisions of law governing gaming in Frederick County. The full House (135-0) and the full Senate (46-0) returned both bills passed. If signed by the Governor, this bill would go into effect on July 1, 2024.**
- c. **[SB1116/HB764](#)— *State Lottery Fund - Bus Rapid Transit Fund Distribution and Prince George's County Blue Line Corridor Facility Fund - Alterations (Senator Zucker and Delegates Shetty, Korman, and Palakovich Carr)* - This enrolled bill repeals a certain limitation on the distribution of up to a certain amount of money from the State Lottery Fund to the Bus Rapid Transit Fund for certain bus rapid transit system grants; and alters the circumstances for distributions from the Bus Rapid Transit Fund. The full House passed this bill**

(116-21), and the full Senate passed the bill (34-13). If signed by the Governor, this bill would go into effect on July 1, 2024.

- d. **SB472/HB581—*State Government - Permits, Licenses, and Certificates - Processing (Transparent Government Act of 2024) (The Senate President & The House Speaker by request of the Administration)*** – This enrolled bill requires each principle department and independent unit to create a catalog of information relating to permits, licenses, and certificates issued by the department or independent unit and to submit the catalog to the Governor on or before October 1, 2024. In addition, the bills requires each department and independent unit to post certain completed information relating to permits, licenses, and certificates on the website of each department or independent unit by October 1, 2025 and establishes the Government Efficiency Commission. The full House (140-0) and the full Senate (46-0) returned both bills passed. If signed by the Governor, this bill would go into effect on July 1, 2024.

B. Budget & Legislative Hearings:

On SB360, the Senate and House Budget passed both the *Budget Bill (Fiscal Year 2025)* and *SB362 (Budget Reconciliation and Financing Act of 2024 (BRFA))*. On the Budget bill, the Budget Committees recommended that the Agency continue its monthly reporting on sports wagering by bet types, and in addition, submit a joint report with the Maryland Center of Excellence on Problem Gambling, and the Maryland Department of Health, on the programs and strategies each entity employs to address problem gambling. The report must be submitted to the budget committees by December 11, 2024. On the BRFA, the Committees recommended that the Governor’s proposed reduction in the retailer selling commission from 6.0% to 5.5%, instead be reduced to 5.75%, with a revenue savings of \$22.4 million or about \$6.75 million less than initially proposed.

Governor Moore’s two appointees to the State Lottery and Gaming Control Commission, Everett Browning Sr. and Ade Adebisi, were both confirmed by the full Senate, and are awaiting to get sworn in and take their oath of office.

C. Regulations:

The Agency will file its Notice of Final Action on the 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>

D. SWARC Update:

The Sports Wagering Application Review Commission (SWARC) is unlikely to hold its next meeting in May 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 in order to meet the Department of Budget and Management’s (DBM) vacancy rate reduction plan for the Agency.

We continue to meet with representatives from DBM about the approved Annual Salary Reviews (ASR) for the Casino Compliance Representative classification and structure. This action has a July 1, 2024 implementation.

III. PROCUREMENT MATTERS

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

Regarding the Agency's Lottery Central Monitoring and Control System (LCMCS) #2015-01, the current contract expires in May 2025. The Agency will seek a contract extension later in 2024, to allow adequate time for the RFP process and for the new contract to be in place. The Agency submitted an updated draft RFP to the Department of Information Technology (DoIT) for its technical review this week. We also provided a copy of the RFP to the Department of General Services/Office of State Procurement (DGS/OSP) for its review.

Regarding the RFP for Veterans' Organizations Instant Ticket Lottery Machines (ITLMs) and Related Services, the current contract expires in September 2024. The Agency provided the incumbent contractor, Diamond Game, with an updated Statement of Work (SOW) in early March and are waiting to get its feedback on the SOW and proposed pricing. When completed, the Agency will prepare a sole source recommendation to submit to OSP for its review before submission to the Commission for approval and to the Board of Public Works (BPW) as an agenda item.

Regarding the RFP for Advertising, Digital, Web and Social Media Services, the current contract expires on June 30, 2024. This RFP will encompass two specialties, including Functional Area I – Creative Development, Production, Digital, Website and Research Services and Functional Area II - Media Planning and Buying Services. The Agency has determined that, at this time, it is appropriate to issue the RFP to select vendor(s). We will ask for Commission approval of one-year extensions to both contracts at today's Commission meeting.