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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, Regulations and Human Resources

DATE: May 14, 2025

SUBJECT: Report for the May 2025 Commission Meeting

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

## I. GOVERNMENT RELATIONS MATTERS

### A. Sports Wagering Application Review Commission (SWARC)

The next SWARC meeting is scheduled for June 18, 2025, but it is uncertain if a meeting will be held, as none of the remaining sports wagering applicants has fully completed the sports wagering application for MLGCC's review in order to make a determination on the applicant's qualifications for a sports wagering license under the Maryland Sports Wagering Law.

### B. Legislative Update

The following bills were approved by the Governor and signed into law on May 6:

- a. [HB1543/SB1000](#) - *Gaming - Sports Wagering Facilities - Request for Relocation (Delegate Stein/Senator Hettleman)*. These bills authorize certain sports wagering facility licensees to submit a written request to the Commission to relocate the sports wagering facility to a new location that is in the same county, complies with certain location requirements, and is approved by the Sports Wagering Application Review Commission. [HB1543](#) passed with the amendments that were originally submitted by the Agency, requiring approval by the Sports Wagering Application Review Commission for a relocation request. [SB1000](#) passed with the same amendments while also amending [HB1134](#) onto the bill. These additional amendments allow for a Class A licensee's rewards program to be used at a Class B sports wagering facility. [HB1543](#) passed and [SB1000](#) passed enrolled, because the bills did not conform. This bill was the crossfire to HB1543. HB 1543 was signed second and therefore is the enacted bill. Both bills are effective July 1, 2025)
- b. [HB618](#) - *State Lottery - Internet Sales of Subscription Plans - Authorization (Delegate Patterson)*. This bill authorizes 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, such as a personal

computer or mobile device, and requires the Agency to report by December 1, 2026, to certain committees of the General Assembly on State lottery subscription sales. This law modernizes the current subscription process to allow for the payment of a subscription plan through an electronic device that connects to the Internet. The bill is effective July 1, 2025.

- c. [HB337](#) - ***State Lottery Fund - Laurel Race Course - Local Impact Aid (Delegates Lehman, Bartlett, Guzzone, et. al)***. This bill requires the Comptroller, beginning in fiscal year 2026, to distribute from the State Lottery Fund \$250,000 of supplemental local impact aid to Anne Arundel County, Howard County, and the City of Laurel from the proceeds of the Racetrax lottery game to be used for certain programs and services in the communities surrounding Laurel Race Course for the two-year period. HB337 passed with amendments that sunset the grant as of June 30, 2027 and established guardrails to ensure the intended recipients, the backstretch workers, are involved in the grant process. The bill is effective July 1, 2025.

The Governor has one additional bill signing scheduled for May 20, 2025, so we will continue to track the status of the following bills:

- a. [HB350](#) - ***Budget Bill (Fiscal Year 2026)***. This bill included language striking the \$17 million disbursement to the Racing and Community Development Financing Fund, Special Fund Appropriation. As passed, this disbursement has been reduced by \$3.6 million, resulting in a remaining appropriation of \$13.4 million (effective July 1, 2025).
- b. [HB352](#) - ***Budget Reconciliation and Financing Act of 2025***. This bill would have provided State employees with a 1% cost of living increase and a 2.5% salary increase, altered the State's share of the casino table game tax rate from 20% to 25%, and increased the mobile sports wagering tax rate from 15% to 30%. The bill passed with several amendments (effective July 1, 2025). The amendments impacting the Agency included:
  - State employees receiving a 1% general cost of living increase, effective July 1, and increments to State employees that are part of bargaining units.
  - Mobile sports wagering tax increasing from 15% to 20%, and specifying the additional revenues would go to the General Fund.
  - Reducing the statutory distribution of lottery revenues to the Montgomery County Bus Rapid Transit by \$10 million annually (from \$27 million to \$17 million) and requiring the Transportation Trust Fund (TTF) to provide the \$10 million to make the funding for the program whole.
- c. [HB328](#) - ***State Lottery – Instant Ticket Lottery Machines – Veterans’ and Fraternal Organizations (Delegate Ebersole)***. This bill authorizes the Agency Director to issue certain fraternal organizations a license for not more than five instant ticket lottery machines (ITLM) as well as alter the distribution of proceeds from ITLM sales by veterans' organizations and fraternal organizations. HB328 passed with amendments to limit the number of ITLMs to three (3) per location and to remove the pre-printed ticket requirement (effective July 1, 2025).
- d. [HB1347/SB299](#) - ***Security Guards and Security Guard Employers - Registration, Certification, and Regulation (Delegate Adams/Senators Carozza and Feldman)***. This bill was intended to prevent a duplication in the requirement to obtain a State or national criminal history records check if the cannabis agent was authorized to provide security guard services in accordance with certain provisions of law. The bills were amended to exclude video lottery operators and sports wagering facility

licensees from the definition of security guard employer. Both bills passed with the amendment (effective October 1, 2025).

## **II. REGULATORY MATTERS**

The 30-day public comment ended for all of the Agency's proposed actions that appeared in the November 15, December 2, and December 13 editions of the *Maryland Register*. The Agency submitted the final action on the proposed amendments to the Lottery Regulations, which should be published in the May 16 edition of the *Maryland Register*. The Agency plans to present its final recommendations to the Commission on the remaining proposed amendments at the May Commission meeting.

## **III. HUMAN RESOURCES MATTERS**

The Human Resources (HR) team continues to focus on recruiting for sports wagering positions and backfilling other positions around the Agency. Currently, the Agency has twelve (12) active recruitments for May and has twenty-three (23) vacant positions to be filled, mainly in our Regulatory Oversight Division, and our Accounting, Finance and Operations Division. The HR Department had its first bi-monthly Labor Management Committee (LMC) meeting with MPEC and is waiting to finalize its arrangements with AFSCME for its first meeting. Governor Moore recently announced a series of actions to help Marylanders impacted by federal workforce reductions, including charging DBM with developing a program to expedite the hiring of displaced federal workers. DBM has identified several job series to focus streamlined pooled hiring efforts. Our HR team will fill two of our recruitments through the displaced federal worker/pooled initiative.