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By: **Delegates Hixson, Healey, C. Davis, Bozman, Howard, and Shriver**  
Introduced and read first time: February 1, 2002  
Assigned to: Commerce and Government Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 18, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Lottery Agency - Procurement - Special Services**

3 FOR the purpose of authorizing the Director of the State Lottery Agency with the  
4 approval of the State Lottery Commission to contract for certain special services  
5 under certain conditions; providing that procurement of the services is not  
6 subject to a certain law; prohibiting a procurement from being made more than  
7 a certain number of times in a fiscal year; and generally relating to the State  
8 Lottery Agency.

9 BY repealing and reenacting, with amendments,

10 Article - State Finance and Procurement  
11 Section 11-203(a)(1)(xvi)  
12 Annotated Code of Maryland  
13 (2001 Replacement Volume)

14 BY repealing and reenacting, with amendments,

15 Article - State Government  
16 Section 9-111  
17 Annotated Code of Maryland  
18 (1999 Replacement Volume and 2001 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - State Finance and Procurement**

2 11-203.

3 (a) Except as provided in subsection (b) of this section, this Division II does  
4 not apply to:

5 (1) procurement by:

6 (xvi) the Maryland State Lottery Agency, for:

7 1. negotiating and entering into private sector cooperative  
8 marketing projects that directly enhance promotion of the Maryland State Lottery  
9 and its products, if the cooperative marketing project:

10 [1.] A. provides a substantive promotional or marketing  
11 value that the lottery determines acceptable in exchange for advertising or other  
12 promotional activities provided by the lottery;

13 [2.] B. does not involve the advertising or other promotion  
14 of alcohol or tobacco products; and

15 [3.] C. is reviewed by the Attorney General and approved by  
16 the Maryland Lottery Director or the Director's designee; OR

17 2. SPECIAL ADVERTISING, RESEARCH, OR MARKETING  
18 SERVICES UNDER § 9-111(C) OF THE STATE GOVERNMENT ARTICLE.

19 **Article - State Government**

20 9-111.

21 (a) The Director shall:

22 (1) supervise and administer the State lottery in accordance with the  
23 regulations of the Agency and this subtitle;

24 (2) confer, at least once a month, with the Commission on the operation  
25 and administration of the State lottery;

26 (3) make available to the Commission any record or other information of  
27 the Agency that the Commission requests;

28 (4) advise the Commission about any change needed to improve the  
29 operation or administration of the State lottery;

30 (5) with the approval of the Commission and subject to Division II of the  
31 State Finance and Procurement Article, contract for:

32 (i) the operation of all or any part of the State lottery; and

1 (ii) the use of space, for advertising or promotional purposes, on  
2 tickets or publications distributed by the Agency, if, in the Director's discretion, the  
3 action is fiscally prudent and in the best interest of the State lottery;

4 (6) submit monthly to the Comptroller and to the Commission a certified  
5 statement of the total State lottery revenues and the total prize disbursements and  
6 other expenses for the preceding month; and

7 (7) with the approval of the Commission, contract for the promotion of  
8 the State lottery and enter into private sector cooperative marketing project  
9 agreements as provided for in § 11-203(a)(1)(xvi) of the State Finance and  
10 Procurement Article.

11 (b) With the approval of the Commission and the Legislative Policy  
12 Committee, the Director may enter into an agreement to operate a multi-state lottery  
13 with any other political entity outside the State that operates a lottery.

14 (c) (1) WITH THE APPROVAL OF THE COMMISSION, THE DIRECTOR MAY  
15 CONTRACT FOR SPECIAL ADVERTISING, RESEARCH, OR MARKETING SERVICES IF:

16 (I) THE PRICE OF THE SERVICES IS LESS THAN \$75,000;

17 (II) THE SERVICES DIRECTLY BENEFIT AND ARE IN THE BEST  
18 INTEREST OF THE STATE LOTTERY; AND

19 (III) THERE IS A DEMONSTRATED IMMEDIATE NEED FOR THE  
20 SERVICES.

21 (2) PROCUREMENT OF THE SERVICES IS NOT SUBJECT TO DIVISION II OF  
22 THE STATE FINANCE AND PROCUREMENT ARTICLE.

23 (3) A PROCUREMENT UNDER THIS SUBSECTION MAY NOT BE MADE  
24 MORE THAN TWICE IN A SINGLE FISCAL YEAR.

25 (D) The Commission may advise the Director on the operation and  
26 administration of the State lottery.

27 [(d)] (E) In accordance with the regulations of the Agency and this subtitle,  
28 the Director may:

29 (1) arrange for a person to perform any activity, function, or service in  
30 connection with the operation of the State lottery which shall constitute a lawful  
31 activity, function, or service of the person; and

32 (2) authorize the Agency to sell lottery tickets for a temporary period at  
33 any promotional or special event being held in the State if:

34 (i) in the Director's determination, no licensed agent is available to  
35 conduct the sale; and

1 (ii) the person holding the promotional or special event has  
2 authorized the Agency to sell lottery tickets at the event.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2002.