

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 578

(Delegate Hixson, *et al.*)

Commerce and Government Matters

Education, Health, and Environmental Affairs

State Lottery Agency - Procurement - Special Services

This bill permits the director of the State Lottery Agency, with the approval of the State Lottery Commission, to contract for advertising, research, or marketing services. The value of the contract must be less than \$75,000, the services must directly benefit the lottery, and there must be a demonstrated immediate need for the services. This type of procurement could not be made more than twice a year, and would not be subject to general procurement law.

Fiscal Summary

State Effect: The bill's requirements could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: General procurement law contains provisions related to methods of procurement, fraud, dispute resolution, Board of Public Works approval, and preferences for small businesses, minorities, and individuals with disabilities.

The Lottery Agency is exempt from many provisions of procurement law for certain private sector cooperative marketing projects. There is no general exception for advertising, research, or marketing services, however. Under current regulations of the

Board of Public Works, the Department of Budget and Management has been delegated authority to contract for services of \$200,000 or less without board approval.

State Fiscal Effect: The Department of Budget and Management and the Board of Public Works advise that the bill's requirements will have no impact on their operations. The Department of General Services advises that the bill's decentralization of procurement may lead to a minor redundancy of administrative effort.

The State Lottery Agency advises that the bill would improve operating efficiency by allowing the agency to effectively respond to sales opportunities and collect time-sensitive marketing research.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Lottery Agency, Department of General Services, Board of Public Works, Department of Budget and Management, Department of Legislative Services

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