

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 195
Ways and Means

(Delegate Queen)

**State Lottery and Gaming Control Commission - Authority to Conduct Studies
on the Use of Emerging Technology - Collaboration**

This bill requires the State Lottery and Gaming Control Commission (SLGCC) to conduct studies of the State lottery and gaming program to identify the latest trends and emerging technology to create a safer, more transparent gambling environment, including cybersecurity technology, the use of artificial intelligence, and digital identity verification, as specified. If SLGCC does not have the resources or expertise to: (1) conduct required studies of the State lottery and gaming program or (2) consider the use of technology, remote surveillance, and other similar measures to carry out specified sports wagering duties, SLGCC must collaborate with a higher education institution in the State, a foundation, or a private entity to analyze best practices or contract with one of those entities to conduct the study or perform the analysis. SLGCC must require the Director of the State Lottery and Gaming Control Agency (SLGCA) or the director's designee to communicate and participate fully in a study authorized by the bill.

Fiscal Summary

State Effect: General fund expenditures increase by as much as \$100,000 in FY 2027 only for SLGCA to hire a consultant to conduct the required studies and analysis. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None. The bill does not affect local government operations or finances.

Small Business Effect: Minimal or none.

Analysis

Current Law: SLGCC must conduct studies of the State lottery and gaming program to:

- identify any defect in lottery and video lottery facility operations statute or regulations of SLGCA that may allow operational or administrative abuses or evasions;
- guard against the use of those statutes and regulations to conduct organized crime;
- ensure that SLGCA's regulations are proper and related statute and regulations are administered to serve their purpose; and
- analyze the gaming industry within and outside the State to determine whether Maryland's gaming program is competitive and maximizing revenues for the State.

SLGCC must conduct studies of:

- the operation and administration of similar laws in other states or countries;
- federal laws that may affect the operation of the State lottery or gaming activities;
- literature on lotteries and gaming activities, including problem gambling programs; and
- the reaction of State citizens to existing and potential features of the State lottery and gaming program.

SLGCC must submit to the Governor and the General Assembly a monthly report and an annual report on State lottery and gaming revenues, total prize disbursements, and other expenses for the preceding month and year, respectively. Additionally, SLGCC must submit a report to the Governor and the General Assembly whenever a matter requires an immediate change in a State law to prevent an abuse or evasion or rectify an undesirable condition in the operation or administration of the State lottery and gaming program.

SLGCC must regulate sports wagering and the conduct of sports wagering to the same extent that SLGCC regulates the operation of video lottery terminals and table games. SLGCC must consider the use of technology, remote surveillance, and other similar measures to carry out specified sports wagering duties.

State Expenditures: SLGCA advises that existing staff do not have the expertise to conduct the studies and analysis required by the bill. Thus, SLGCC must either collaborate with a higher education institution in the State, a foundation, or a private entity to analyze best practices or contract with one of those entities to conduct the studies and perform the analysis. Bowie State University and Morgan State University both report that they need to hire several employees if they are selected as a collaborator or contractor under the bill.

Thus, the Department of Legislative Services (DLS) assumes that SLGCC contracts with a private entity to perform the studies and analysis as that is likely the most cost-effective option to meet the bill's requirements. Based on a prior consultant's costs for a SLGCA study, DLS estimates that general fund expenditures increase by as much as \$100,000 in fiscal 2027 for SLGCC to hire a consultant to conduct the studies and perform the analysis. The bill does not specify a timeline or a frequency for the studies and analysis, so DLS assumes it is a one-time occurrence.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): University System of Maryland; Morgan State University; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

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