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February 25, 2021

The Honorable Anne R. Kaiser  
Chair, House Ways & Means Committee  
Room 131 House Office Building  
Annapolis Maryland 21401

***Re: House Bill 940 – Gaming – Regulation of Fantasy Gaming Competitions and Implementation of Sports Wagering***

Dear Chair Kaiser and Committee Members,

The Maryland Department of Transportation (MDOT) takes no position on House Bill 940 but offers the following information for the Committee's consideration.

The Maryland General Assembly established the State's Minority Business Enterprise (MBE) Program in 1978. Periodically, the General Assembly has reenacted the law with amendments, but only after considering Disparity Studies in the utilization of minority and woman-owned firms in Maryland's marketplace. Findings of the Disparity Study assess data on the existence, extent, and impact of discrimination, if any, against minority and woman-owned firms on contracting opportunities within the public and private sectors in and/or in the proximity of the State.

House Bill 940 requires the Maryland State Lottery Gaming Control Commission, in consultation with MDOT and others, to determine whether there is a compelling interest to implement remedial measures, including application of the MBE Program, to address the needs of MWBEs seeking to participate in the sports gaming industry. This evaluation was previously completed in 2020.

In 2020, Senate Bill 4 – Expansion of Commercial Gaming – Sports and Event Wagering Referendum and Minority Business Enterprise Disparity Study required MDOT to evaluate whether the State's 2017 Disparity Study provided a compelling interest to implement remedial measures, like the MBE Program, to the sports wagering industry. That evaluation was completed and submitted to the Maryland General Assembly in October 2020. The evaluation determined that the 2017 Disparity Study did provide a compelling interest to apply remedies like the MBE Program to sports wagering activity in Maryland.

Additionally, House Bill 940 also requires an additional review of the 2017 Disparity Study, which is due by December 2023 and prior to the July 2024 sunset date for application of the MBE Program. It should be noted that, by 2023, we expect to have in place a new Disparity Study. As such, any evaluation should be performed on the data contained in the new study.

The Maryland Department of Transportation respectfully requests the Committee carefully consider this information when deliberating House Bill 940.

Respectfully submitted,

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