

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: January 29, 2019

SUBJECT: Fiscal Impact Statement – Sports Wagering Procurement Practices Reform Exemption Act of 2019

REFERENCE: Bill 23-25, Committee Print provided to the Office of Revenue Analysis on January 29, 2019

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

In December 2018, the Council passed legislation¹ legalizing sports wagering and establishing the Office of Lottery and Charitable Games (OLCG) as a regulator and operator of sports wagering in the District. OLCG must contract with a gaming vendor to run its sports wagering operation. The gaming vendor will supply gaming systems, terminals, communications networks, and related services necessary to implement sports wagering in the District.

To expedite the establishment of sports wagering operations, the bill exempts OLCG's procurement of the gaming vendor and systems from the Procurement Practices Reform Act of 2010², provided that the contract remains subject to certified business enterprise requirements.

Estimated new revenue of \$91.7 million from the sports wagering authorization act was based on market advantages of being fully operational prior to neighboring jurisdictions. If the legislation is not approved, OLCG estimates the lottery operated mobile and retailer network will not be operational until October 1, 2021. This will reduce the amount of revenue available by \$60.9 million over the budget and financial plan.

¹ Sports Wagering Lottery Amendment Act of 2018, approved January 23, 2019 (Act 22-594).

² Chapter 3A of Title II of the District of Columbia Official Code.

The Honorable Phil Mendelson

FIS: "Sports Wagering Procurement Practices Reform Exemption Act of 2019," Draft Committee Print as shared with the Office of Revenue Analysis on January 29, 2019

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. To the extent implementation is delayed, the revenue would decline. None of the estimated revenue has yet been incorporated into a budget and financial plan.