

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

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**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 legislation<sup>1</sup> 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 2010<sup>2</sup>, 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.

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

<sup>2</sup> 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.