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Councilmember Kenyan R. McDuffie



Councilmember Vincent C. Gray

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to provide that certain revenue from District-operated sports wagering shall be designated to fund, in equal amounts, the Early Child Development Fund and the Violence Prevention and Intervention Fund; to amend the Day Care Policy Act of 1979 to establish the Early Child Development Fund; and to amend Neighborhood Engagement Achieves Results Amendment Act of 2016 to establish the Violence Prevention and Intervention Fund.

BE IT ENACTED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Sports Wagering Dedicated Revenue Temporary Amendment Act of 2019”.

Sec. 2 Section 311(a) of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective May 3, 2019 (D.C. Law 22-312; D.C Official Code § 36-621.11(a)), is amended by adding a new paragraph (3) to read as follows:

“(3) Except for the revenue certified in the approved Fiscal Year 2020 budget for fiscal years 2020, 2021, 2022, and 2023, and \$200,000 annually thereafter, which shall be dedicated to the Department of Behavioral Health for prevention and treatment of gambling addiction, all net revenue from District-operated sports wagering, whether from taxing licensed

36 retailers, from contracts with vendors operating Office of Lottery and Gaming mobile and web-
37 based sports wagering, or from licensed sports wagering retailers, shall be divided equally
38 between the Early Child Development Fund, established by section 11d of the Day Care Policy
39 Act of 1979, effective September 19, 1979 (D.C. Law 3-16; D.C. Official Code § 4-401 *et seq.*),
40 and the Violence Prevention and Intervention Fund, established by section 104 of the
41 Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016
42 (D.C. Law 21-125; D.C. Official Code § ____).”.

43 Sec. 3. The Day Care Policy Act of 1979, effective September 19, 1979 (D.C. Law 3-16;
44 D.C. Official Code § 4-401 *et seq.*), is amended by adding a new section 11d to read as follows:

45 “Sec. 11d. Early Child Development Fund.

46 “(a) There is established as a special fund the Early Child Development Fund (“Fund”),
47 which shall be administered by Office of the State Superintendent of Education in accordance
48 with subsections (b) and (c) of this section.

49 “(b) Fifty percent of all net revenue collected pursuant to section 311(a)(3) of the Sports
50 Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; D.C.
51 Official Code § _____) shall be deposited into the Fund.

52 “(c) Money in the Fund shall be used to support the cost of care and the teacher salary
53 scale increases as set forth in section 11b.

54 “(d)(1) The money deposited into the Fund but not expended in a fiscal year shall not
55 revert to the unassigned fund balance of the General Fund of the District of Columbia at the end
56 of a fiscal year, or at any other time.

57 ““(2) Subject to authorization in an approved budget and financial plan, any funds
58 appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.

59

60 Sec. 4. The Neighborhood Engagement Achieves Results Amendment Act of 2016,
61 effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2411 *et seq.*), is amended by
62 adding a new section 104 to read as follows:

63 “Sec. 104. Violence Prevention and Intervention Fund.

64 “(a) There is established as a special fund the Violence Prevention and Intervention Fund
65 (“Fund”), which shall be administered by the Mayor in accordance with subsections (b) and (c)
66 of this section.

67 “(b) Fifty percent of all net revenue collected pursuant to section 311(a)(3) of the Sports
68 Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; D.C.
69 Official Code § _____) shall be deposited into the Fund.

70 “(c) Money in the Fund shall be used for the following purposes:

71 “(1) Providing contracts or grants to eligible community organizations; and

72 “(2) Providing funding for other violence prevention or intervention initiatives as
73 determined by the Mayor.

74 “(d)(1) The money deposited into the Fund but not expended in a fiscal year shall not
75 revert to the unassigned fund balance of the General Fund of the District of Columbia at the end
76 of a fiscal year, or at any other time.

77 “(2) Subject to authorization in an approved budget and financial plan, any funds
78 appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.

79 Sec. 5. Fiscal impact statement.

80 The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact
81 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
82 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

83 Sec. 6. Effective date.

84 (a) This act shall take effect following approval by the Mayor (or in the event of veto by
85 the Mayor, action by the Council to override the veto), a 30-day period of congressional review
86 as provided in section 602 (c)(1) of the District of Columbia Home Rule Act, approved
87 December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the
88 District of Columbia Register.

89 (b) This act shall expire after 225 days of its having taken effect.




OFFICE OF THE GENERAL COUNSEL

Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 4
Washington, DC 20004
(202) 724-8026

MEMORANDUM

TO: Councilmember Vincent C. Gray

FROM: Nicole L. Streeter, General Counsel 

DATE: July 8, 2019

RE: Legal sufficiency determination for Sports Wagering
Dedicated Revenue Temporary Amendment Act of 2019

The measure is legally and technically sufficient for Council consideration.

The legislation amends section 311(a) the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia¹ to require that specified revenue realized from sports wagering be dedicated to fund, in equal amounts, the Early Child Development Fund and the Violence Prevention and Intervention Fund.

Further, it amends the Day Care Policy Act of 1979² to establish the Early Child Development Fund and the Neighborhood Engagement Achieves Results Amendment Act of 2016 to establish the Violence Prevention and Intervention Fund.³

I am available if you have any questions.

¹ Effective May 3, 2019 (D.C. Law 22-312; D.C. Official Code § 36-621.11(a)).

² Effective September 19, 1979 (D.C. Law 3-16; D.C. Official Code § 4-401 *et seq.*).

³ Effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2411 *et seq.*).

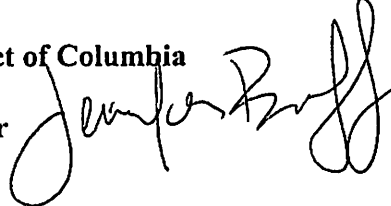
COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



Jennifer Budoff
Budget Director

FISCAL IMPACT STATEMENT

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

FROM: Jennifer Budoff, Budget Director 

DATE: July 9, 2019

SHORT TITLE: "Sports Wagering Dedicated Revenue Emergency/Temporary Amendment Act of 2019"

TYPE: Emergency/Temporary

REQUESTED BY: Councilmember Vincent Gray

Conclusion

This emergency/temporary legislation will not have an adverse impact on the District's fiscal year (FY) 2020 budget or four-year financial plan because there is no cost to implementing this amendment.

Background

This emergency/temporary legislation does three things. First, it establishes two new non-lapsing funds: The Early Child Development Fund and the Violence Prevention and Intervention Fund. The Office of the State Superintendent for Education (OSSE) will administer the Early Child Development Fund, which it will use to support District government payments to child development homes and in-home caregivers for the cost of care and teacher salary scale increases. The Violence Prevention and Intervention Fund will support the Office of Neighborhood Safety and Engagement (ONSE) by providing resources for grants to community organizations and other violence prevention or intervention initiatives.

Second, the emergency/temporary legislation dedicates all net revenue from sports wagering over and above what is already certified in the FY 2020 budget and FY 2020-2023 financial plan to the Early Child Development Fund and the Violence Prevention and Intervention Fund. The net revenue would be equally split between these two funds. Certified revenues, after expenses, from sports wagering are as follows:

Table 1: Net Sports Wagering Certified Revenues, in \$ thousands (as of July 2, 2019)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Financial Plan Total
Private operated (Class A and B) Tax	130	1,712	1,883	2,072	2,279	8,076
Private operated (Class A and B) License	1,600	60	60	60	1,560	3,340
Compliance & Training	(2,192)	(1,779)	(1,809)	(2,059)	(1,869)	(9,707)
Lottery operated mobile/retail	-	17,110	26,870	27,186	27,064	98,230
Startup Costs	(600)					(600)
Net Sports Wagering Revenue	(1,062)	17,103	27,005	27,260	29,034	99,339
<i>Emergency/Temporary Legislation's OSSE and ONSE Dedications</i>	<i>N/A (no revenue projected)</i>	<i>Any revenue in excess of \$17,103</i>	<i>Any revenue in excess of \$27,005</i>	<i>Any revenue in excess of \$27,260</i>	<i>Any revenue in excess of \$29,034</i>	

Third, this emergency/temporary legislation would dedicate all net revenue from sports wagering collected in FY 2024 and beyond to the Early Child Development Fund and the Violence Prevention and Intervention Fund. However, the \$200,000 dedication to the Department of Behavioral Health for gambling addiction prevention and treatment that starts in FY 2020 would remain in place in FY 2024 and beyond. The remaining revenue would be equally divided between the Early Child Development Fund and the Violence Prevention and Intervention Fund.

Although these two acts create revenue dedications that stretch beyond the four-year financial plan, like all temporary and emergency legislation, they would only be effective for a limited time period. Emergency legislation is in effect for 90 days, and temporary legislation is effective for 225 days.