

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1074 (Delegate C. Davis)
Environmental Matters

State Advisory Commission on Gambling Addiction

This bill establishes an 11-member State Advisory Commission on Gambling Addiction. The commission is to (1) advise the Department of Health and Mental Hygiene (DHMH) on habitual gambling; (2) compile data and statistics on pathological gambling; (3) recommend treatment programs; (4) report annually to the Secretary of DHMH; and (5) develop programs that the Secretary of DHMH considers necessary to prevent gambling addiction.

The commission is to be funded with 10% of the Unclaimed Lottery Prize Fund. Each member is entitled to \$50 per meeting day and reimbursement for expenses under the standard State travel regulations.

Fiscal Summary

State Effect: None. The bill only shifts resources from the Unclaimed Lottery Prize Fund to the advisory commission and does not affect overall revenues and expenditures.

Local Effect: None.

Fiscal Analysis

State Revenues: The bill does not specify whether 10% of the Unclaimed Lottery Prize Fund is to be deducted against the fund balance on a particular date, or if the 10% is to be deducted as unclaimed prize money is received by the fund. Since the fund balance fluctuates, this could affect the amount of money transferred to the commission.

Assuming that the 10% is deducted as receipts are deposited into the Unclaimed Prize Fund, an estimated \$645,000 would be transferred from the fund to the commission in fiscal 1997. This estimate reflects the October 1, 1996 effective date of the bill. The annualized amount of the transfer would be \$860,000.

Since the funds would be reallocated, there would be no overall effect on State revenues.

State Expenditures: Assuming the commission meets monthly and each member is reimbursed for \$50 of expenses per meeting, the commission's fiscal 1997 expenditures would be \$10,800 (includes per diem payments, expense reimbursements, workers compensation insurance, and social security contributions). This would leave the commission \$634,200 in fiscal 1997 for expenditures on staff, special studies, development of programs, etc. This estimate reflects the October 1, 1996 effective date of the bill. The annualized amount of the commission's meeting expenses would be \$14,400, leaving \$845,600 for other expenditures.

Money in the Unclaimed Prize Fund is used by the State Lottery Agency to supplement other lottery prizes. Since expenditure of these funds by the commission would prohibit their expenditure through the Unclaimed Prize Fund, overall State expenditures would not be affected.

Information Source(s): State Lottery Agency, Department of Fiscal Services

Fiscal Note History: First Reader - February 16, 1996

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