

**Department of Legislative Services**  
 Maryland General Assembly  
 2011 Session

**FISCAL AND POLICY NOTE**

House Bill 429 (Delegates Simmons and Kramer)  
 Ways and Means

**Video Lottery Terminal Revenues - School Construction and Pensions**

This bill repeals the Purse Dedication Account (PDA) established under the Video Lottery Terminal (VLT) Program law. The bill instead directs the 7% of proceeds, up to a maximum of \$100 million annually, from VLTs currently allocated to PDA to the Education Trust Fund (ETF). These funds will be accounted for separately in ETF and distributed in equal portions to supplement (1) State contributions to the teachers' retirement system and teachers' pension system; and (2) public school construction and improvement in addition to the general obligation (GO) bond proceeds identified for public school construction in the *Capital Improvement Program* (CIP).

The bill takes effect July 1, 2011.

**Fiscal Summary**

**State Effect:** General fund expenditures for pension contributions decrease by \$13.9 million in FY 2012 and by \$39.7 million in FY 2016, replaced with VLT special fund expenditures. VLT program special fund revenues are not affected. VLT program special fund expenditures are redirected, but the amount of total VLT special fund expenditures is not affected. Assuming VLT revenues are used to provide pay-as-you-go (PAYGO) funds, State school construction funding increases by an estimated \$13.9 million in FY 2012, and by \$39.7 million in FY 2016, over levels projected in the FY 2012-2016 CIP.

| (\$ in millions) | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|------------------|---------|---------|---------|---------|---------|
| Revenues         | \$0     | \$0     | \$0     | \$0     | \$0     |
| GF Expenditure   | (13.9)  | (20.7)  | (34.0)  | (37.0)  | (39.7)  |
| SF Expenditure   | 0       | 0       | 0       | 0       | 0       |
| Net Effect       | \$13.9  | \$20.7  | \$34.0  | \$37.0  | \$39.7  |

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** County tax revenues may decrease minimally in those counties with horse racing facilities and/or a significant horse industry presence. Local governments will benefit from additional State school construction funding but will need to provide the local share of new projects that are funded by the State.

**Small Business Effect:** Small business horse industry breeders and owners in the thoroughbred and standardbred racing industry may be adversely affected. Some small construction-related businesses may benefit from new school construction or improvements.

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## Analysis

**Current Law:** Two VLT gambling bills passed during the 2007 special session – House Bill 4 (Chapter 5) and Senate Bill 3 (Chapter 4). Chapter 5 is a constitutional amendment that was approved by Maryland voters at the November 2008 general election authorizing 15,000 VLTs at five locations in the State. The amendment also specifies that the General Assembly may only authorize expanded forms of gambling subject to certain restrictions. Chapter 4, which was contingent on ratification of Chapter 5, establishes the operational and regulatory framework for the authorized VLT program. Under Chapter 4, gross VLT proceeds are distributed as follows from the proceeds of VLTs at each facility:

- Business Investment – 1.5% to a small, minority, and woman-owned business investment account;
- Lottery (Administration) – 2% to the State lottery for administrative costs, with other costs provided for in the State budget;
- Local Government Impact Grants – 5.5% to local governments in which a video lottery facility is operating, 18% of which would go for 15 years (starting in fiscal 2012 and ending in fiscal 2027) to Baltimore City through the Pimlico Community Development Authority and to Prince George’s County for the community surrounding Rosecroft (\$1 million annually);
- Purse Dedication Account – 7% to a purse dedication account to enhance horse racing purses and funds for the horse breeding industry, not to exceed \$100 million annually;
- Racetrack Facility Renewal Account – 2.5% for an eight-year period to the RFRA, not to exceed \$40 million annually;
- Licensee (Operator) – no more than 33% to video lottery operation licensees; and
- Education Trust Fund – remainder to Education Trust Fund (48.5%-51.0%).

Chapter 624 of 2010 made a variety of clarifying and technical changes to the VLT law and also altered provisions regarding the authorized VLT facility in Allegany County.

Contingent upon the purchase of the Rocky Gap Lodge and Golf Resort by the licensee, the 2.5% of VLT proceeds from the Allegany County facility for the first five years of operations that would otherwise be distributed to the Racetrack Facility Renewal Account would instead be distributed to the Allegany County facility licensee.

From PDA, which is under the authority of the Maryland Racing Commission, 80% of funds are to be allocated for the thoroughbred industry and 20% of the funds to the standardbred industry. From the proceeds allocated to the thoroughbred industry, 89% is dedicated to thoroughbred purses (including an annual \$100,000 grant to Fair Hill) and 11% is dedicated to the Maryland-Bred Race Fund. From the proceeds allocated to the standardbred industry, 89% is dedicated to standardbred purses and 11% is dedicated to the Standardbred Race Fund.

VLT facility operation licenses are awarded by the Video Lottery Facility Location Commission (Location Commission). The State Lottery Commission oversees VLT operations and owns/leases the VLTs and a central monitor and control system. The maximum of 15,000 VLTs are distributed as follows under the statute: 4,750 VLTs in Anne Arundel County; 3,750 VLTs in Baltimore City; 2,500 VLTs in Worcester County; 2,500 VLTs in Cecil County; and 1,500 VLTs in Allegany County (Rocky Gap State Park).

#### *Education Trust Fund and Public School Construction Program*

ETF, established by Chapter 4 of the 2007 special session, provides funding for primary and secondary education through continuation of the Bridge to Excellence in Public Schools Act formulas and programs. Public school construction and capital projects at public institutions of higher education, including community colleges, are also eligible for ETF funding.

The State pays at least 50% of eligible costs of school construction and renovation projects, based on a funding formula that takes into account numerous factors including each local school system's wealth and ability to pay. Chapters 306 and 307 of 2004 (the Public School Facilities Act) require that the cost-share formulas be recalculated every three years. The first recalculation occurred in 2007, and the second recalculation occurred in 2010. **Exhibit 1** shows the State share of eligible school construction costs for all Maryland jurisdictions for fiscal 2012, which was determined by the 2007 recalculation, and for fiscal 2013 through 2015, as determined by the 2010 recalculation.

Subject to the final approval of the Board of Public Works (BPW), the Interagency Committee on School Construction (IAC) manages State review and approval of local school construction projects. Each year, local systems develop and submit to IAC a facilities master plan that includes an analysis of future school facility needs based on the current condition of school buildings and projected enrollment. The master plan must be

approved by the local school board. Subsequently, each local school system submits a capital improvement plan to IAC that includes projects for which it seeks planning approval, projects for which it seeks funding approval, and projects that the local system has forward funded. In addition to approval from the local school board, the capital improvement plan must be approved by the county's governing body. Typically, the submission letter to IAC contains signatures of both the school board president and either the county council president or chair of the board of county commissioners.

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**Exhibit 1**  
**State Share of Eligible School Construction Costs**  
**Fiscal 2012-2015**

| <u>County</u>   | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
|-----------------|----------------|----------------|----------------|----------------|
| Allegany        | 91%            | 93%            | 93%            | 93%            |
| Anne Arundel    | 50%            | 50%            | 50%            | 50%            |
| Baltimore City  | 94%            | 93%            | 93%            | 93%            |
| Baltimore       | 50%            | 50%            | 50%            | 50%            |
| Calvert         | 61%            | 56%            | 56%            | 56%            |
| Caroline        | 86%            | 81%            | 78%            | 78%            |
| Carroll         | 61%            | 58%            | 58%            | 58%            |
| Cecil           | 75%            | 70%            | 69%            | 69%            |
| Charles         | 77%            | 72%            | 67%            | 63%            |
| Dorchester      | 71%            | 69%            | 69%            | 69%            |
| Frederick       | 72%            | 67%            | 62%            | 60%            |
| Garrett         | 59%            | 54%            | 50%            | 50%            |
| Harford         | 59%            | 63%            | 63%            | 63%            |
| Howard          | 61%            | 60%            | 60%            | 60%            |
| Kent            | 50%            | 50%            | 50%            | 50%            |
| Montgomery      | 50%            | 50%            | 50%            | 50%            |
| Prince George's | 73%            | 68%            | 63%            | 62%            |
| Queen Anne's    | 55%            | 50%            | 50%            | 50%            |
| St. Mary's      | 75%            | 70%            | 65%            | 64%            |
| Somerset        | 88%            | 83%            | 82%            | 82%            |
| Talbot          | 50%            | 50%            | 50%            | 50%            |
| Washington      | 73%            | 71%            | 71%            | 71%            |
| Wicomico        | 87%            | 96%            | 96%            | 96%            |
| Worcester       | 50%            | 50%            | 50%            | 50%            |

Source: Public School Construction Program

Based on its assessment of the relative merit of all the project proposals it receives, and subject to the projected level of school construction funds available, IAC determines which projects to recommend to BPW for State funding. By December 31 of each year, IAC recommends to BPW projects comprising 75% of the preliminary school construction allocation projected to be available. Local school districts may then appeal the IAC recommendations directly to BPW. By March 1 of each year, IAC recommends to BPW and the General Assembly projects comprising 90% of the allocation for school construction submitted in the Governor's capital budget. Following the legislative session, IAC recommends projects comprising the remaining school construction funds included in the enacted capital budget for BPW approval.

### *Local Educators' and Librarians' Pensions*

The State began paying the retirement costs for teachers employed by local boards of education in 1927. In 1945, professional and clerical employees of local libraries were added to the Teachers' Retirement System (TRS), and the State began paying their retirement costs too. The professional and clerical employees of local community colleges were then added to the system in 1961. TRS was closed to new employees in 1980 when the Teachers' Pension System (TPS) was established. As required by law, the State continues to pay 100% of the pension costs for these three categories of local employees.

**Background:** The Video Lottery Facility Location Commission has awarded video lottery operation licenses for VLT facility locations in Anne Arundel, Cecil, and Worcester counties. Penn Cecil in Cecil County opened in late September 2010 with 1,500 VLTs and Ocean Downs in Worcester County opened in January 2010 with 750 (increasing to 800 in the near future) VLTs. Power Plant Entertainment (PPE) Casino Resorts, LLC was awarded a license, in December 2009, to operate a 4,750 VLT facility adjacent to Arundel Mills Mall in Anne Arundel County, contingent upon local zoning approval. County officials subsequently approved zoning legislation, but the legislation was petitioned to a local voter referendum at the November 2010 election. Anne Arundel County voters approved the legislation, allowing the VLT facility to go forward. PPE plans to open a 2,000 VLT temporary facility by the end of 2011, with a permanent facility scheduled to open by the end of 2012. The licenses for Baltimore City and Allegany County are yet to be awarded. **Exhibit 2** shows the distribution of estimated VLT revenues through fiscal 2016.

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**Exhibit 2**  
**Distribution of Estimated VLT Revenues**  
**(\$ in Millions)**

|  | <b><u>FY 2011</u></b> | <b><u>FY 2012</u></b> | <b><u>FY 2013</u></b> | <b><u>FY 2014</u></b> | <b><u>FY 2015</u></b> | <b><u>FY 2016</u></b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Education Trust Fund (48.5%-51.0%)         | \$64.1                | \$192.3               | \$286.6               | \$471.3               | \$512.3               | \$549.4               |
| Licensees (33%)                            | 43.6                  | 130.8                 | 195.0                 | 320.7                 | 348.6                 | 373.9                 |
| Local Impact Grants (5.5%)                 | 7.3                   | 21.8                  | 32.5                  | 53.4                  | 58.1                  | 62.3                  |
| Business Investment (1.5%)                 | 2.0                   | 5.9                   | 8.9                   | 14.6                  | 15.8                  | 17.0                  |
| Purse Dedication Account (7%) <sup>1</sup> | 9.2                   | 27.8                  | 41.4                  | 68.0                  | 73.9                  | 79.3                  |
| Racetrack Renewal (2.5%) <sup>2</sup>      | 3.3                   | 9.9                   | 14.8                  | 24.3                  | 26.4                  | 28.3                  |
| Lottery Operations (2%)                    | 2.6                   | 7.9                   | 11.8                  | 19.4                  | 21.1                  | 22.7                  |
| <b>Total (100%)</b>                        | <b>\$132.1</b>        | <b>\$396.5</b>        | <b>\$590.9</b>        | <b>\$971.8</b>        | <b>\$1,056.4</b>      | <b>\$1,132.9</b>      |

<sup>1</sup>Up to \$100 million annually.

<sup>2</sup>Up to \$40 million annually for eight years, after which the monies accrue to the Education Trust Fund. Chapter 624 of 2010 altered provisions regarding the authorized VLT facility in Allegany County. Contingent upon the purchase of the Rocky Gap Lodge and Golf Resort by the licensee, the 2.5% of VLT proceeds from the Allegany County facility for the first five years of operations that would otherwise be distributed to the Racetrack Facility Renewal Account would instead be distributed to the Allegany County facility licensee.

Source: Department of Legislative Services, December 2010 Revenue Estimate

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*Horse Racing in Maryland*

**Appendix 1** and **2** show the attendance, purse, wagering, and other data for State thoroughbred and standardbred races for calendar 1999 through 2009. As shown in the appendices, attendance at live thoroughbred races in 2009 was just over half of attendance in 2000. Attendance for live standardbred races has declined each year since 2001. Similarly, the number of combined live racing days for the standardbred and thoroughbred industries declined from 417 in 1999 to 198 in 2009, a 53% decline. Thoroughbred purses in 2009 were 45% below the 1999 total, with some fluctuation in the intervening years, and standardbred purses in 2009 were about 93% below the amount provided in 1999. Wagering at the thoroughbred tracks declined from \$357 million in 1999 to \$196 million in 2009; wagering at the standardbred tracks declined from \$145 million to \$66 million over the same period.

The generally downward trends in attendance, racing days, purses, and wagering, between 1999 and 2009, combined with an increase in total Gross State Product (GSP) from \$153 billion in 1997 to \$287 billion in 2009, suggest that it is unlikely that the horse racing industry's contribution to GSP has increased from 0.39% in 1997, the year

covered by a University of Maryland report. Indeed it may have declined to less than 0.39% of the Maryland economy.

The Maryland Racing Commission administers the Maryland-Bred Race Fund and the Maryland Standardbred Race Fund. The Maryland-Bred Race Fund was created in 1962 as an incentive program to encourage the improvement of thoroughbred horse breeding and racing in Maryland. The Standardbred Race Fund, created in 1971, serves as an incentive program to promote the breeding and racing of standardbred horses in Maryland. The bill does not affect the Racetrack Renewal account established under VLT program law.

### *State Funding of School Construction*

The Public Schools Facilities Act of 2004 established State annual public school construction funding goals of at least \$250 million for the eight years from fiscal 2006 through 2013. The \$250 million funding level for fiscal 2012 proposed by the Governor would mark the seventh consecutive year that public school construction has met or exceeded the annual goal. Also, \$250 million in funding for fiscal 2012 would allow the State to exceed its aggregate eight-year funding goal within seven years. CIP proposes \$250.0 million in general obligation bonds for school construction in fiscal 2013 through 2016.

**Exhibit 3** shows State funding for public school construction for fiscal 2006 through 2012.

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**Exhibit 3**  
**State Funding for Public School Construction**  
**(\$ in Millions)**

| <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012 Est.</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| \$251.6        | \$322.7        | \$401.8        | \$340.0        | \$266.6        | \$263.7        | \$250.0             |

Source: Public School Construction Program; Department of Legislative Services

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### *Teacher Pension Costs*

Over the last five years, State retirement payments for local employees in TRS and TPS have increased rapidly, fueling questions about the sustainability of the costs and igniting efforts to shift some of the costs to local governments. In fiscal 2012, an increase of \$78.2 million is projected for local employees in the pension systems, bringing the total

cost to \$978.7 million. This is 8.7% higher than the amount appropriated in fiscal 2011, a growth rate well beyond the 3.3% increase in general fund revenues projected for fiscal 2012. To further magnify the problem, \$228.1 million in federal stimulus funds are being used to support retirement costs for local board of education employees in fiscal 2011 and will not be available in fiscal 2012. TRS/TPS costs are projected to increase to \$1.5 billion by fiscal 2016.

However, the Governor's proposed budget includes a \$79.9 million reduction in local employee retirement costs in fiscal 2012; a \$1.6 million decrease from fiscal 2011 funding. The reduction is contingent upon passage of a proposed restructuring of the Teachers' Pension System with identical changes to the State Employees' Retirement and Pension Systems, generating a total of \$104 million in general fund savings.

**State Fiscal Effect:** Based on estimated VLT revenues shown in Exhibit 2, a total of \$27.8 million in fiscal 2012 will be redirected from the repealed PDA to the ETF, increasing each year to \$79.3 million in fiscal 2016. Assuming VLT revenues are used to provide PAYGO funds, State school construction funding increases by an estimated \$13.9 million in fiscal 2012, and by \$39.7 million in fiscal 2016, over levels projected in the fiscal 2012-2016 CIP. Special fund expenditures for the teachers' retirement and pension systems increase by \$13.9 million in fiscal 2012, and by \$39.7 million in fiscal 2016, resulting in commensurate decreases in general fund expenditures each year.

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### **Additional Information**

**Prior Introductions:** None. However a similar bill, HB 885 of 2010, received a hearing in the House Ways and Means Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Comptroller's Office; Department of Labor, Licensing, and Regulation (Maryland Racing Commission); Public School Construction Program; Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2011  
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## Appendix 1 Thoroughbred Horse Racing in Maryland

|   | <u>1999</u>              | <u>2000</u>   | <u>2001</u>   | <u>2002</u>  | <u>2003</u>   | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>  | <u>2009</u>   |
|---|--------------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|
| <b>Laurel Racetrack</b>                           |                          |               |               |              |               |               |               |               |               |              |               |
| Attendance  | 585,907                  | 1,241,130     | 500,925       | 918,725      | 825,530       | 651,644       | 769,814       | 798,795       | 688,623       | 595,036      | 550,511       |
| Live Racing Days                                  | 167                      | 162           | 112           | 144          | 138           | 62            | 134           | 153           | 148           | 148          | 125           |
| Purses  | \$30,826,439             | \$31,655,895  | \$21,752,971  | \$31,761,761 | \$23,811,771  | \$9,286,091   | \$23,392,376  | \$30,306,075  | \$28,973,186  | \$22,545,198 | \$20,267,180  |
| <b>Betting on Races at Laurel</b>                 |                          |               |               |              |               |               |               |               |               |              |               |
| Live Racing @ Laurel                              | \$1,987,253              | \$42,626,631  | \$26,486,837  | \$28,892,681 | \$25,118,717  | \$10,938,015  | \$23,627,369  | \$26,246,235  | \$21,768,715  | \$15,641,791 | \$12,339,625  |
| MD Races Simulcast                                | 15,136,383<br>144,733,70 | 12,337,215    | 14,385,927    | 10,689,612   | 8,420,028     | 13,842,841    | 7,402,127     | 5,057,840     | 4,400,788     | 3,414,650    | 2,636,181     |
| Out-of-state Simulcast                            | 0<br>211,857,33          | 145,985,370   | 149,335,635   | 152,899,052  | 143,542,225   | 135,939,778   | 144,432,586   | 134,049,952   | 127,312,028   | 114,082,040  | 106,883,733   |
| Total Betting @ Laurel                            | 6                        | 200,949,216   | 190,208,399   | 192,481,345  | 177,080,970   | 160,720,634   | 175,462,082   | 165,354,027   | 153,481,531   | 133,138,481  | 121,859,539   |
| <b>Pimlico</b>                                    |                          |               |               |              |               |               |               |               |               |              |               |
| Attendance  | 516,532                  | 488,528       | 573,484       | 674,188      | 749,230       | 792,342       | 470,514       | 395,994       | 524,994       | 445,069      | 370,896       |
| Live Racing Days                                  | 58                       | 58            | 109           | 74           | 71            | 135           | 61            | 31            | 31            | 31           | 20            |
| Purses  | 13,649,006               | 13,701,055    | 24,520,844    | 15,238,698   | 15,701,370    | 22,705,429    | 11,293,851    | 8,922,813     | 8,481,554     | 6,952,102    | 4,447,202     |
| <b>Betting on Races at Pimlico</b>                |                          |               |               |              |               |               |               |               |               |              |               |
| Live Racing @ Pimlico                             | 23,315,615               | 21,641,401    | 27,423,675    | 20,042,369   | 16,878,035    | 25,838,130    | 15,686,999    | 13,288,969    | 12,343,805    | 10,748,712   | 7,792,638     |
| MD Races Simulcast                                | 22,741,209               | 17,622,230    | 10,581,946    | 11,141,240   | 9,565,405     | 4,557,944     | 8,234,603     | 9,171,465     | 7,387,080     | 4,783,598    | 3,349,615     |
| Out-of-state Simulcast                            | 95,351,030<br>141,407,85 | 100,925,142   | 106,372,850   | 104,339,830  | 102,250,300   | 99,701,935    | 96,488,167    | 89,598,639    | 84,131,719    | 74,549,612   | 60,928,120    |
| Total Betting @ Pimlico                           | 4                        | 140,188,773   | 144,378,471   | 135,523,439  | 128,693,740   | 130,098,009   | 120,409,769   | 112,059,073   | 103,862,604   | 90,081,922   | 72,070,373    |
| <b>Timonium</b>                                   |                          |               |               |              |               |               |               |               |               |              |               |
| Attendance  | 42,785                   | 34,607        | 48,600        | 34,968       | n/a           | n/a           | 27,548        | 27,548        | 26,107        | 23,022       | 22,591        |
| Live Racing Days                                  | 10                       | 10            | 8             | 8            | 8             | 8             | 8             | 8             | 7             | 7            | 7             |
| Purses  | 1,544,765                | 1,339,248     | 122,385       | 914,170      | 906,820       | 955,675       | 935,975       | 929,235       | 739,170       | 583,960      | 704,930       |
| <b>Betting on Races at Timonium</b>               |                          |               |               |              |               |               |               |               |               |              |               |
| Live Racing @ Timonium                            | 2,570,250                | 2,204,179     | 1,892,326     | 1,789,673    | 1,884,451     | 1,807,906     | 1,666,393     | 1,458,227     | 1,199,084     | 1,059,762    | 1,151,194     |
| MD Races Simulcast                                | -                        | -             | -             | -            | -             | -             | -             | -             | -             | -            | -             |
| Out-of-state Simulcast                            | 1,349,786                | 1,313,658     | 962,524       | 891,867      | 1,066,316     | 1,028,237     | 1,033,381     | 938,530       | 885,211       | 736,201      | 666,942       |
| Total Betting @ Timonium                          | 3,920,036                | 3,517,837     | 2,854,850     | 2,681,540    | 2,950,767     | 2,836,143     | 2,699,774     | 2,396,757     | 2,084,295     | 1,795,963    | 1,818,136     |
| <b>Total Thoroughbred Purses</b>                  | 46,020,210               | 46,696,198    | 46,396,200    | 47,914,629   | 40,419,961    | 32,947,195    | 35,622,202    | 40,158,123    | 38,193,910    | 30,081,260   | 25,419,312    |
| <b>Total Betting at Thoroughbred Tracks in MD</b> | \$357,185,226            | \$344,655,826 | \$337,441,720 | \$30,686,324 | \$308,725,477 | \$293,654,786 | \$298,571,625 | \$279,809,857 | \$259,428,430 | \$25,016,366 | \$195,748,048 |
| <b>Percentage of Betting on Out-of-State</b>      | 68%                      | 72%           | 76%           | 78%          | 80%           | 81%           | 81%           | 80%           | 82%           | 84%          | 86%           |

Source: Maryland Racing Commission, Department of Legislative Services

**Appendix 2**  
**Standardbred Horse Racing in Maryland**

|   | <u>1999</u>   | <u>2000</u>   | <u>2001</u>   | <u>2002</u>   | <u>2003</u>   | <u>2004</u>   | <u>2005</u>   | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   | <u>2009</u>  |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| <b>Rosecroft</b>                                  |               |               |               |               |               |               |               |               |               |               |              |
| Attendance  | 360,458       | 675,559       | 667,853       | 652,852       | 579,255       | 489,536       | 484,701       | 404,191       | 339,579       | 216,921       | 135,138      |
| Live Racing Days                                  | 147           | 147           | 133           | 137           | 122           | 117           | 97            | 106           | 86            | 43            | 6            |
| Purses  | 10,583,404    | 9,343,565     | 5,684,719     | 6,063,000     | 6,472,340     | 4,874,030     | 4,184,330     | 5,392,600     | \$4,592,400   | \$1,137,900   | \$0          |
| Betting on Races at Rosecroft                     |               |               |               |               |               |               |               |               |               |               |              |
| Live Racing @ Rosecroft                           | 15,519,474    | 14,335,526    | 11,622,302    | 9,347,168     | 8,222,275     | 6,266,855     | 4,767,933     | 4,498,952     | \$3,504,514   | \$1,310,387   | \$44,547     |
| MD Races Simulcast                                | 14,908,549    | 13,040,719    | 11,751,734    | 10,522,979    | 8,908,287     | 6,192,856     | 7,479,401     | 6,880,223     | \$5,293,719   | \$3,637,647   | \$870,997    |
| Out-of-state Simulcast                            | 95,373,178    | 106,009,727   | 110,440,950   | 111,761,597   | 104,727,836   | 97,078,458    | 107,588,715   | 98,914,952    | \$88,680,723  | \$78,586,525  | \$49,348,049 |
| Total Betting @ Rosecroft                         | 125,801,201   | 133,385,972   | 133,814,986   | 131,631,744   | 121,858,398   | 109,538,169   | 119,836,049   | 110,294,127   | \$153,481,531 | \$83,534,559  | \$50,263,593 |
| <b>Ocean Downs</b>                                |               |               |               |               |               |               |               |               |               |               |              |
| Attendance  | 74,165        | 120,387       | 130,757       | 135,868       | 142,830       | 141,229       | 140,264       | 212,969       | 132,902       | 220,133       | 117,372      |
| Live Racing Days                                  | 40            | 40            | 40            | 40            | 40            | 39            | 40            | 40            | 40            | 40            | 40           |
| Purses  | 1,037,530     | 937,810       | 868,670       | 839,570       | 663,630       | 923,680       | 974,810       | 820,265       | 902,500       | 926,550       | 900,000      |
| Betting on Races at Ocean Downs                   |               |               |               |               |               |               |               |               |               |               |              |
| Live Racing @ Ocean Downs                         | 2,305,789     | 2,276,047     | 2,073,150     | 2,152,267     | 2,056,640     | 2,057,361     | 2,056,739     | 2,051,340     | 2,018,446     | 1,934,469     | 1,754,046    |
| MD Races Simulcast                                | 857,827       | 2,120,704     | 2,375,522     | 2,279,582     | 1,821,482     | 1,552,797     | 1,479,526     | 1,476,983     | 1,454,496     | 957,585       | 688,240      |
| Out-of-state Simulcast                            | 15,960,449    | 13,783,449    | 20,889,706    | 19,827,978    | 20,683,776    | 17,962,924    | 17,416,963    | 16,443,698    | 16,674,221    | 14,132,593    | 12,925,225   |
| Total Betting @ Ocean Downs                       | 19,124,065    | 18,180,200    | 25,338,378    | 24,259,827    | 24,561,898    | 21,573,082    | 20,953,228    | 19,972,021    | 20,147,163    | 17,024,647    | 15,367,511   |
| <b>Total Standardbred Purses</b>                  |               |               |               |               |               |               |               |               |               |               |              |
|   | 11,620,934    | 10,281,375    | 6,553,389     | 6,902,570     | 7,135,970     | 5,797,710     | 5,159,140     | 6,212,865     | 5,494,900     | 2,064,450     | 900,000      |
| <b>Total Betting at Standardbred Tracks in MD</b> |               |               |               |               |               |               |               |               |               |               |              |
|   | \$144,925,266 | \$151,566,172 | \$159,153,364 | \$155,891,571 | \$146,420,296 | \$131,111,251 | \$140,789,277 | \$130,266,148 | \$173,628,694 | \$100,559,206 | \$65,631,104 |
| <b>Percentage of Betting on Out-of-State</b>      |               |               |               |               |               |               |               |               |               |               |              |
|   | 77%           | 79%           | 83%           | 84%           | 86%           | 88%           | 89%           | 89%           | 61%           | 92%           | 95%          |

Source: Maryland Racing Commission, Department of Legislative Services