

**Department of Legislative Services**  
Maryland General Assembly  
2015 Session

**FISCAL AND POLICY NOTE**

Senate Bill 265

(Calvert County Senators)

Budget and Taxation

Ways and Means

**Calvert County - Electronic Bingo and Electronic Tip Jars - Distribution of  
Admissions and Amusement Tax Revenues**

This bill reduces the distribution of revenue from the State admissions and amusement (A&A) tax on electronic bingo and electronic tip jars in Calvert County to \$50,000, from \$100,000, to the Boys and Girls Club of the Town of North Beach, with the remainder of the revenue attributable to a 1.5% tax rate distributed to the Town of North Beach. The Calvert County Youth Recreational Opportunities Fund (CCYROF) receives revenues attributable to a 4% State A&A tax rate in Calvert County through fiscal 2019, instead of through fiscal 2016. The Calvert County Board of Education receives revenues attributable to a 4% State A&A tax rate in Calvert County beginning in fiscal 2020, instead of fiscal 2017. Additionally, the bill repeals obsolete provisions.

The bill takes effect July 1, 2015.

**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures within CCYROF increase by \$685,000 in FY 2017, \$675,000 in FY 2018, and \$665,000 in FY 2019.

**Local Effect:** Revenue to the Town of North Beach increases by \$50,000 annually beginning in FY 2016. Revenues to Calvert County from CCYROF increase by \$685,000 in FY 2017, \$675,000 in FY 2018, and \$665,000 in FY 2019, and revenues to the Calvert County Board of Education decrease by an equivalent amount from FY 2017 through 2019.

**Small Business Effect:** None.

## Analysis

**Current Law:** For fiscal 2016 through 2021, revenues attributable to a State A&A tax rate of 20% imposed on electronic bingo and electronic tip jars are distributed to the Maryland E-Nnovation Initiative Fund; and revenues attributable to a rate of 5% are distributed to the Special Fund for the Preservation of Cultural Arts in Maryland. After fiscal 2021, revenues attributable to a State A&A tax rate of 20% imposed on electronic bingo and electronic tip jars are distributed to the general fund; and revenues attributable to a rate of 5% are distributed to the Special Fund for the Preservation of Cultural Arts in Maryland.

In Calvert County, the total State A&A rate on specified machines is 33%. In fiscal 2014 through 2016, revenues attributable to a State A&A tax rate in Calvert County of:

- 1.5% are distributed to the Boys and Girls Club of the Town of North Beach in the amount of \$100,000, with the remainder to the Town of North Beach;
- 2.5% are distributed to the Town of Chesapeake Beach; and
- 4.0% are distributed to CCYROF.

Beginning in fiscal 2017, distributions are unaltered except that the revenues attributable to a State A&A rate of 4.0% no longer go to CCYROF, but are instead distributed to the Calvert County Board of Education for school renovation and renewal projects.

**Background: Exhibit 1** shows the estimated revenue distribution of A&A revenues from electronic bingo and electronic tip jars in Calvert County under current law from fiscal 2016 through 2020.

### Exhibit 1 Estimated Distribution of A&A Revenues from Calvert County Under Current Law Fiscal 2016-2020

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Boys and Girls Club of North Beach	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
The Town of North Beach	161,000	157,000	153,000	149,000	145,000
The Town of Chesapeake Beach	435,000	428,000	422,000	415,000	409,000
CCYROF	696,000	-	-	-	-
Calvert County Board of Education	-	685,000	675,000	665,000	655,000
E-Nnovation Initiative Fund	3,480,000	3,427,000	3,375,000	3,323,000	3,273,000
Preservation of Cultural Arts	870,000	857,000	844,000	831,000	818,000
<b>Total A&amp;A Revenues</b>	<b>\$5,742,000</b>	<b>\$5,654,000</b>	<b>\$5,568,000</b>	<b>\$5,484,000</b>	<b>\$5,400,000</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: Department of Legislative Services

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CCYROF is a special, nonlapsing fund used for projects that advance youth recreational opportunities in Calvert County. The Department of Natural Resources uses CCYROF to reimburse Calvert County for the cost of acquiring two adjacent parcels totaling 223 acres. Calvert County is in the process of completing the Park Master Plan for the development of the property. Future development may include athletic fields, concession and maintenance facilities, restrooms, and other recreational opportunities such as natural area hiking, equestrian trails, fishing, and environmental education.

**State Fiscal Effect:** As a result of having CCYROF receive revenues attributable to a 4% State A&A tax rate in Calvert County through fiscal 2019, instead of through fiscal 2016, special funds to CCYROF increase by \$685,000 in fiscal 2017, \$675,000 in fiscal 2018, and \$665,000 in fiscal 2019. Funds within CCYROF are to be used to advance youth recreational opportunities in Calvert County, so special fund expenditures from CCYROF increase by equivalent amounts from fiscal 2017 through 2019.

**Exhibit 2** shows the estimated revenue distribution of A&A revenues from electronic bingo and electronic tip jars in Calvert County under the bill from fiscal 2016 through 2020.

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**Exhibit 2**  
**Estimated Distribution of A&A Revenues from Calvert County**  
**Under the Bill**  
**Fiscal 2016-2020**

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Boys and Girls Club of North Beach	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
The Town of North Beach	211,000	207,000	203,000	199,000	195,000
The Town of Chesapeake Beach	435,000	428,000	422,000	415,000	409,000
CCYROF	696,000	685,000	675,000	665,000	-
Calvert County Board of Education	-	-	-	-	655,000
E-Nnovation Initiative Fund	3,480,000	3,427,000	3,375,000	3,323,000	3,273,000
Preservation of Cultural Arts	870,000	857,000	844,000	831,000	818,000
<b>Total A&amp;A Revenues</b>	<b>\$5,742,000</b>	<b>\$5,654,000</b>	<b>\$5,568,000</b>	<b>\$5,484,000</b>	<b>\$5,400,000</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: Department of Legislative Services

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**Local Revenues:** Exhibit 3 shows the net effect of the bill on the estimated revenue distribution of A&A revenues from electronic bingo and electronic tip jars in Calvert County from fiscal 2016 through 2020.

Revenue to the Town of North Beach increases by \$50,000 annually beginning in fiscal 2016, offset by an equivalent decrease in revenue to the Boys and Girls Club of the Town of North Beach. Revenues to Calvert County from CCYROF increase by \$685,000 in fiscal 2017, \$675,000 in fiscal 2018, and \$665,000 in fiscal 2019. Revenues to the Calvert County Board of Education decrease by an equivalent amount from fiscal 2017 through 2019.

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**Exhibit 3**  
**Estimated Distribution of A&A Revenues from Calvert County**  
**Net Effect of the Bill**  
**Fiscal 2016-2020**

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Boys and Girls Club of North Beach	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
The Town of North Beach	50,000	50,000	50,000	50,000	50,000
The Town of Chesapeake Beach	-	-	-	-	-
CCYROF	-	685,000	675,000	665,000	-
Calvert County Board of Education	-	(685,000)	(675,000)	(665,000)	-
E-Nnovation Initiative Fund	-	-	-	-	-
Preservation of Cultural Arts	-	-	-	-	-

Source: Department of Legislative Services

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Calvert County, Department of Natural Resources, Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2015  
 md/jrb

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Analysis by: Heather N. Ruby

Direct Inquiries to:

(410) 946-5510  
(301) 970-5510