

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 803

(Senator Oaks, *et al.*)

Budget and Taxation

Baltimore City - Table Games Proceeds - Recreational Facilities

This bill requires that table game proceeds distributed to Baltimore City as local impact grants that must be used to fund the maintenance, operation, and construction of recreational facilities be supplemental to any existing expenses or obligations related to recreational facilities and may not take the place of funding that otherwise would be appropriated for recreational facilities. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None. The bill only affects local government operations.

Local Effect: Approximately \$2.9 million of Baltimore City local impact grants beginning in FY 2019 may not be used to take the place of local funding that would otherwise be appropriated for recreational facilities.

Small Business Effect: None.

Analysis

Current Law/Background: Video lottery operation licensees receive 80% of table game revenues, 15% is distributed to the Education Trust Fund, and 5% is distributed to local jurisdictions where a video lottery terminal facility is located. Proceeds distributed to Baltimore City must be used equally to fund school construction projects and for the maintenance, operation, and construction of recreational facilities.

Exhibit 1 shows the estimated local impact grants to be distributed from table game proceeds to Baltimore City in fiscal 2019 through 2023.

Exhibit 1
Baltimore City Local Impact Grants from Table Game Proceeds
Fiscal 2019-2023

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
School Construction	\$2,817,952	\$2,860,221	\$2,903,124	\$2,946,671	\$2,990,871
Recreational Facilities	2,817,952	2,860,221	2,903,124	2,946,671	2,990,871
Total	\$5,635,904	\$5,720,442	\$5,806,249	\$5,893,343	\$5,981,743

Source: Board of Revenue Estimates; Department of Legislative Services

The [Baltimore City Department of Recreation and Parks](#) currently manages 42 recreation centers, with 5 additional centers planned to open by summer 2018. Baltimore City reports that local impact grants from table games for recreational facilities were spent to support aquatics and recreation center staffing, including two centers that reopened after renovations, in fiscal 2017. In fiscal 2018, \$2.0 million of funds were moved to a capital reserve account for the Cherry Hill Recreational Center, while the remaining funds were used to support staffing of aquatics centers. In fiscal 2019, the city plans to spend \$2.0 million for the Cherry Hill Recreational Center capital project and approximately \$800,000 to staff aquatics centers.

Additional Information

Prior Introductions: SB 1152 of 2017 received a hearing in the Senate Budget and Taxation Committee, but no further action was taken. Its cross file, HB 1138, passed the House and received a hearing in the Senate Budget and Taxation Committee, but no further action was taken. HB 1330 of 2016 passed the House and received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

Cross File: None.

Information Source(s): Baltimore City; Comptroller's Office; Maryland State Department of Education; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

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mm/jrb

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