

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 35
Ways and Means

(Delegate Jackson)

**Prince George's County - Video Lottery Terminals - Local Impact Grant
Distribution**

This bill requires \$112,500 of local impact grants from video lottery terminals (VLTs) distributed to Prince George's County to be distributed to the Town of Forest Heights in fiscal 2018. Additionally, 2% and 3% of local impact grants from VLTs distributed to Prince George's County must be distributed to Forest Heights in fiscal 2019 and 2020, respectively. **The bill takes effect June 1, 2018.**

Fiscal Summary

State Effect: None.

Local Effect: In FY 2018, \$112,500 of Prince George's County local impact grants from VLTs must be distributed to Forest Heights. Approximately \$136,500 of Prince George's County local impact grants from VLTs will be distributed to Forest Heights in FY 2019 and \$216,300 in FY 2020.

Small Business Effect: Minimal.

Analysis

Current Law: From the VLT proceeds at each video lottery facility, generally 5.5% of the proceeds are distributed as local impact grants to local governments in which a video lottery facility is operating.

Generally, 82% of the local impact grants must go to the local jurisdictions with video lottery facilities to be used for infrastructure improvements; facilities; public safety;

sanitation; economic and community development, including housing; and other public services and improvements in the communities in immediate proximity to the video lottery facilities. In Prince George’s County, 40% of its local impact grants, not to exceed \$15 million annually, must be used to address infrastructure needs related to Maryland Route 210 in the county. Additionally, \$125,000 of its local impact grants from VLT proceeds must be provided annually to be used in communities within 2.5 miles northeast of the video lottery facility in Prince George’s County.

Background: Appendix – Maryland Gaming provides detailed background on gaming in Maryland. **Exhibit 1** shows the distribution of local impact grants to Prince George’s County from VLTs under the bill.

Exhibit 1
Distribution of VLT Local Impact Grants to
Prince George’s County Under the Bill

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Rosecroft Raceway Neighborhoods	\$1,000,000	\$1,000,000	\$1,000,000
City of Laurel	53,571	53,571	-
Under State Government § 9-1A-31(a)(3)(i)	6,447,277	6,826,893	7,210,780
For improvements primarily near video lottery facility	3,630,866	3,834,598	3,985,144
MD Route 210 infrastructure	2,578,911	2,730,757	2,884,312
Communities northeast of video lottery facility	125,000	125,000	125,000
Town of Forest Heights	<u>112,500</u>	<u>136,538</u>	<u>216,323</u>
Total VLT Local Impact Grants	\$7,500,849	\$7,880,465	\$8,210,780

Source: Comptroller’s Office; Department of Legislative Services

Local Fiscal Effect: In fiscal 2018, \$112,500 of local impact grants to Prince George’s County from VLTs must be distributed to the Forest Heights. Approximately \$136,538 of Prince George’s County local impact grants from VLTs will be distributed to Forest Heights in fiscal 2019 and \$216,323 in fiscal 2020.

Additional Information

Prior Introductions: HB 1563 of 2017 was referred to the House Rules and Executive Nominations Committee, but no further action was taken.

Cross File: None.

Information Source(s): Prince George's County; Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

Fiscal Note History: First Reader - January 15, 2018
nb/jrb

Analysis by: Heather N. Ruby

Direct Inquiries to:
(410) 946-5510
(301) 970-5510