

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1659

(Delegate McIntosh)

Appropriations

Budget and Taxation

Maryland Stadium Authority – Youth and Amateur Sports Grants Program and
 Michael Erin Busch Sports Fund

This bill establishes the Youth and Amateur Sports Grants Program, administered by Maryland Sports in the Maryland Stadium Authority (MSA), to (1) bring new youth and amateur sporting events to the State and (2) attract sports fans, participants, and tourists. The Michael Erin Busch Sports Fund is established in MSA for the administration of the program. The fund may only be used to provide grants, subject to specified conditions, and for administrative expenses. Beginning in fiscal 2021, \$1.0 million annually must be allocated from the remaining money in the State Lottery Fund after other specified distributions are made. An obsolete provision requiring \$350,000 annually to be provided to MSA from the Racing Special Fund is repealed. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: General fund revenues decrease by \$1.0 million annually beginning in FY 2021; special fund revenues and expenditures for MSA increase correspondingly as funds are received and used for authorized purposes.

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GF Revenue	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)
SF Revenue	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
SF Expenditure	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Net Effect	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)	(\$1.0)

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

Local Effect: Local revenues and expenditures may increase from grant funding received under the program beginning in FY 2021.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Maryland Sports may award grants from the Michael Erin Busch Sports Fund to nonprofit organizations, counties, business entities, or individuals to assist with the costs of bringing youth and amateur sporting events to the State, including the costs of capital projects or maintenance. In doing so, Maryland Sports must give priority to an applicant for a sporting event that (1) has demonstrated financial support from a county or (2) has provided assurance that a majority of the needed funding has been raised from private sources. To the extent practicable, Maryland Sports must make awards to grantees that reflect the geographic diversity of the State, sports programs that are gender-specific and nonspecific, and diverse types of sports. Unless MSA expressly approves otherwise, the total amount of grants awarded to each nonprofit organization, county, business entity, or individual may not exceed \$75,000 in a fiscal year.

Current Law/Background:

Maryland Sports

MSA's Office of Sports Marketing was created in 2007 with the goal of attracting and hosting national and international sporting events. Rebranded as Maryland Sports in 2015, the office develops and promotes sports tourism in the State. Chapter 575 of 2017 codified Maryland Sports, which had previously existed only administratively in MSA, subject to specified conditions. Maryland Sports must implement a program to bring regional, national, and international sporting events at all levels of competition to the State for the purposes of utilizing sports facilities in the State, enhancing the economic development of the State, and promoting the State as a destination for amateur and professional sporting events.

Funding for Youth and Amateur Sporting Events through Maryland Sports

Chapter 727 of 2016 required \$350,000 to be allocated annually to Maryland Sports for incentive grants for youth and amateur sporting events. However, Chapters 184 and 185 of 2018 repealed the specific funding source for the grants, and the \$350,000 funding requirement has been determined to be obsolete. There is no related funding in the Governor's proposed fiscal 2021 budget.

The State Lottery Fund

Each month, after payments to lottery winners and agents and to the State Lottery for operating expenses, the Comptroller must make payments from the State Lottery Fund to:

- the Maryland Stadium Facilities Fund (an amount not to exceed \$20 million in any fiscal year);
- the Baltimore City Public School Construction Financing Fund (an amount equal to \$20 million in each fiscal year that bonds are outstanding); and
- the State’s general fund.

Additionally, the Comptroller must deposit 10% of the money that remains in the State Lottery Fund from the proceeds of ticket sales from instant ticket lottery machines by veterans’ organizations into the Maryland Veterans Trust Fund.

Former Speaker Michael Erin Busch

Speaker Michael E. Busch served in the Maryland House of Delegates from 1987 to 2019. Busch, the State’s longest-serving Speaker of the House of Delegates, served as Speaker from 2003 to 2019. Prior to his service in the House of Delegates, he worked as a teacher and coach at St. Mary’s High School in Annapolis. From 1979 to 2018, he served as an administrator for the Anne Arundel County Department of Recreation and Parks, during which he oversaw a significant expansion of the county’s youth sports programs. Speaker Busch passed away on April 7, 2019.

State Fiscal Effect: The bill requires that \$1.0 million be distributed from the State Lottery Fund to the Michael Erin Busch Sports Fund beginning in fiscal 2021. Except for limited specified distributions, all revenues received by the State Lottery Fund accrue to the general fund. Accordingly, overall special fund expenditures for the State Lottery Fund are not affected; however, general fund revenues decrease by \$1.0 million annually beginning in fiscal 2021. Special fund revenues and expenditures for the Michael Erin Busch Sports Fund increase correspondingly as funds are received and used for authorized purposes. MSA advises that existing staff can handle the bill’s administrative requirements.

Repealing an obsolete funding requirement has no effect on State finances.

Small Business Effect: Small businesses may benefit directly from grants received under the program and may also benefit from additional business activity associated with any sporting events brought to the State due to the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 1076 (Senator McCray) - Rules.

Information Source(s): Maryland Stadium Authority; Maryland Department of Labor;
Department of Legislative Services

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