

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1259  
Ways and Means

(Cecil County Delegation)

Budget and Taxation

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**Horse Racing – Fair Hill Natural Resources Management Area**

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This bill alters the manner in which the distribution to the Fair Hill Improvement Fund from the amount wagered at race days is calculated. The bill also alters specified requirements regarding racing at the Fair Hill Natural Resources Management Area. **The bill takes effect July 1, 2021.**

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**Fiscal Summary**

**State Effect:** None. The bill is not expected to materially affect State operations or finances, as discussed below.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary/Current Law:** The Maryland Racing Commission must issue a license to the Cecil County Breeders' Fair, Inc., or its successor to hold at least two, but no more than eight, one-day race meetings each year for steeplechase, hurdle, or flat racing at the Fair Hill Natural Resources Management Area. The bill repeals the requirement that at least two one-day race meetings be held.

In conjunction with racing, an agricultural fair with livestock entered for exhibition must be held under the auspices of the State Fair Board on at least one racing day. The bill repeals this requirement and authorizes an agricultural fair with livestock entered for exhibition.

For each racing day, the licensee must offer at least one steeplechase or hurdle race for each flat race, but an additional flat race may be substituted for a steeplechase race or hurdle race that is not filled. The bill repeals this requirement.

The licensee must deduct from the handle (1) all the breakage and (2) 25%. From the 25% that the licensee deducts from the handle, 9% of the *handle* must be credited to the Fair Hill Improvement Fund. The bill alters this formula by authorizing the licensee to deduct an amount of up to 25% from the handle and, from the amount deducted (excluding the breakage), requiring that 36% of *that amount* be credited to the Fair Hill Improvement Fund.

The Fair Hill Improvement Fund is operated by the Department of Natural Resources for the operation, maintenance, development, and improvement of the Fair Hill facilities.

**State Fiscal Effect:** Special fund revenues are not anticipated to materially change from the altered formula. **Exhibit 1** shows the amount of the handle from racing at Fair Hill in fiscal 2015 through 2019. In fiscal 2019, the Fair Hill Improvement Fund received \$11,243 from racing at Fair Hill. Under the bill, the Fair Hill Improvement Fund would have received that same amount in fiscal 2019, as 25% of the handle (\$124,920) equals \$31,230 and 36% of that amount equals \$11,243.

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**Exhibit 1**  
**Handle at Fair Hill**  
**Fiscal 2015-2019**

<u>Fiscal Year</u>	<u>Handle</u>
2015	\$162,414
2016	132,518
2017	157,712
2018	151,676
2019	124,920

Source: Maryland Racing Commission

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**Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 919 (Senator Gallion) - Budget and Taxation.

**Information Source(s):** Maryland Department of Labor; Department of Natural Resources; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - March 3, 2021  
an/jrb Third Reader - April 12, 2021  
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