

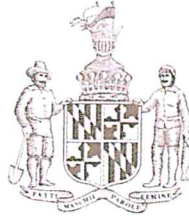
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Allegany County

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February 20, 2020

HB 435 - Allegany County- Video Lottery Terminals – Distribution of Proceeds SUPPORT

Dear Colleagues,

HB 435 seeks to repeal the sunset provision in how video lottery proceeds (VLT) are distributed after the first ten years of operation for Rocky Gap Casino in Allegany County. Under current law, the distribution of VLT revenues from this facility will change beginning in May 2023.

It's important to note – the 10-year sunset changes, or lack thereof, will not significantly alter revenues distributed into the Education Trust Fund, and in fact, this bill actually inverses the percentage of funds collected to the ETF. The changes represent a fluctuation in the small percent of revenues currently distributed to a variety of programs or funds, bringing them more in-line with how VLT proceeds are distributed to other counties via local impact grants from other video lottery facilities across the state. However, Rocky Gap is not like other casinos across the state. It's unique in its location and in the recreational offerings and tourism attractions surrounding it.

Rocky Gap is an important piece in our regional economy in Western Maryland. This legislation simply ensures that what has worked, for all parties, for the first 10 years of operation continues to work in the future – that tax rates and revenue distributions stay the same and that the share of proceeds going to the state and retained by Rocky Gap remain consistent in perpetuity. The sunset provision originally written into law serves no necessary or substantial purpose now that we are 10 years down the road; therefore, it is in the best interest to repeal that provision and continue on the path to success for this substantial business in Allegany County, recognizing the pressures placed upon Rocky Gap by gaming expansion in Pennsylvania, most notably.

I ask for a favorable report on HB 435.