HB 808

Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE

House Bill 808 (Prince George's County Delegation) Judiciary

Prince George's County - Casino Nights PG 311-96

This bill allows Prince George's County to issue six one-day permits for casino nights in addition to the 21 permits already authorized by statute. It also extends from July 1 to October 1 the date by which permittees must file financial reports with the Comptroller, County Executive, County Council, and the Prince George's County House and Senate Delegations. In addition, the bill extends by one year the authority of organizations to operate casino nights in the county.

This bill is effective June 1, 1996.

Fiscal Summary

State Effect: None. Offsetting increase in revenues and expenditures.

Local Effect: Revenues would increase by at least \$396,400 in FY 1997 and \$4.4 million in FY 1998. Expenditures would increase by approximately \$39,000 in FY 1997 and \$1.27 million in FY 1998.

Fiscal Analysis

State Effect: This bill could require the Criminal Justice Information System (CJIS) to perform additional criminal checks in fiscal 1998. For each criminal check, CJIS charges a \$42 fee. Of the \$42, \$18 is used by CJIS to cover operating costs of performing the checks. The remaining \$24 is forwarded to the FBI to cover the costs of performing the national criminal history check. Accordingly, offsetting State revenues and operating costs could increase, to the extent that additional background checks are performed in fiscal 1998.

Local Revenues: This bill allows up to six one-day casino night permits to be issued at any one time. However, there is no limit on how frequently organizations may obtain a one-day

permit. Essentially, this bill would allow six additional casinos per day to operate in Prince George's County. The number of permits that would be utilized is unknown. However, one-day permit holders would be subject to the county's application fee, enforcement fee, worker fees, and the 20% levy placed on gross receipts of casino nights.

Under current law the authorization for casino nights to operate in Prince George's County expires in May 1997. This bill would extend that authority to May 1998. As a result, revenues collected from licensing fees, enforcement fees, and the 20% levy on gross receipts of casino nights would continue for one additional year. Prince George's County Sheriff's Office reports that application and enforcement fees are currently generating about \$437,000 per year, and the levy is currently generating about \$360,000 per month. If these collections remain steady, county revenues would increase by \$396,400 in fiscal 1997 and \$4.4 million in fiscal 1998 as a result of the extended authorization.

Local Expenditures: Expenditures could increase by approximately \$39,000, beginning in fiscal 1997. This includes the salary and fringe benefits for one additional accountant or auditor to assist in bookkeeping associated with the additional permits.

In fiscal 1998 expenditures would increase by a total of \$1.27 million, which includes the \$39,000 discussed above plus \$1.23 million for the continuation of Prince George's County Casino Night Enforcement Bureau. Under current law the bureau, which has a budget of \$1.23 million, would be discontinued after fiscal 1997. This bill would extend casino night authorization for one year, which would necessitate funding of the bureau for one additional year.

Information Source(s): Prince George's County Sheriff's Office, Department of Fiscal Services

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Fiscal Note History: