

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 465 (Delegate C. Davis)

Ways and Means

Horse Racing - Special Fund - Taxes

This bill provides that any funds remaining in the horse racing special fund shall be distributed to the Maryland-Bred Race Fund (70%) and the Standardbred Race Fund (30%), rather than the general fund. The State wagering tax rate of 0.32% is extended to June 30, 1999 (it is currently scheduled to increase to 0.5% on May 31, 1998).

This bill is effective June 1, 1998, and sunsets on June 30, 1999.

Fiscal Summary

State Effect: General fund revenues would decline by approximately \$892,300 in FY 1998 and by an estimated \$2,106,300 in FY 1999. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Revenues: The current wagering tax rate is 0.32%, and is to revert to 0.5% on May 31, 1998. Extending the lower rate until June 30, 1999, will maintain wagering tax revenues at their current level of \$1.7 million. This revenue, along with revenue from uncashed pari-mutuel tickets and from other sources, is credited to the horse racing special fund. An estimated \$892,300 will be in the special fund as of June 30, 1998; this amount would be distributed to the two breeders' funds. The balance of the special fund on June 30, 1999 will be an estimated \$2,106,300; this amount will also be distributed to the two breeders' funds rather than the general fund.

Information Source(s): Department of Labor, Licensing, and Regulation (State Racing

Commission); Department of Legislative Services

Fiscal Note History:

First Reader - February 23, 1998

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Revised - Updated Information - June 3, 1998

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