

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 148 (Delegate Leopold. *et al.*)

Ways and Means

Horse Racing - Financial Investment Study

This bill requires the Secretary of Labor, Licensing, and Regulation to contract with a private investment banking firm for a financial investment study of the horse racing industry in the State. The study shall address, among other items of interest, the economic value of mile thoroughbred and harness racetracks in the State; whether State aid will lead to permanent improvement in the racing industry and the prospects for the industry when State aid ceases; the capital improvement needs at existing racetracks; and the potential for State partnership with the racetracks. The study is due to the Secretary by December 1, 1998. The State shall not spend more than \$100,000 on the study; if total distributions from the State lottery to the general fund for fiscal 1998 exceed \$358,817,000, \$100,000 of the remaining revenue shall be used to pay for this study. The Secretary shall report the results of the study to the Legislative Policy Committee, the Senate Finance Committee, and the House Committee on Ways and Means by January 1, 1999.

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

Fiscal Summary

State Effect: Expenditures could increase by \$100,000. Revenues would not be affected.

Local Effect: None.

Small Business Effect: Potential meaningful, if the financial investment study is awarded to a small business.

Fiscal Analysis

State Expenditures: This bill limits expenditures on the required study to \$100,000, and provides that, if general fund lottery revenues exceed \$358,817,000, \$100,000 of the remainder shall be used to pay for this study. The current general fund lottery estimate for fiscal 1998 is \$352.7 million; the estimate could change in March.

The Department of Legislative Services (DLS) advises that the Governor's allowance for the Department of Labor, Licensing, and Regulation includes \$10 million for assistance to the racing industry. A portion of this allowance could be used to fund a study of the economic impact of the racing industry, and DLS has recommended budget language which would direct \$250,000 of the \$10 million be spent on such a study.

Information Source(s): Maryland State Lottery Agency, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 1998

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