

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 109 (Delegate Greenin)

Appropriations

Distribution of Lottery Proceeds - Public School Building Construction Aid

This bill requires the revenue from the Pick 3 lottery game (after expenses) to be credited to the General State School Fund for public school building construction. Pick 3 tickets and advertising shall state that proceeds from the game are for the benefit of public school construction.

Fiscal Summary

State Effect: No net effect. General fund revenues would decrease by \$102 million in FY 1999 (\$136 million annually thereafter) and public school construction funding would increase by the same amount.

Local Effect: State aid for local public school construction projects could increase by \$102 million in FY 1999.

Small Business Effect: Minimal.

Fiscal Analysis

State Effect: Currently, Pick 3 revenues are distributed to the general fund after administrative costs are deducted. This bill would require that these revenues be dedicated to public school construction. Pick 3 revenues are estimated at \$136 million for fiscal 1999. Since this bill is effective October 1, 1998, only three-quarters of this amount, \$102 million, would be used for school construction in fiscal 1999. Little growth is expected in Pick 3 in the out-years; therefore, beginning in fiscal 2000, \$136 million would be dedicated for school construction.

Local Effect: The proposed fiscal 1999 State capital budget includes \$222 million for school construction projects. This bill would provide an additional \$102 million. The

amount of additional funds received by each local school district would depend upon the Board of Public Work's allocation of approved projects.

Information Source(s): Maryland State Lottery Agency, Interagency Committee on Public School Construction, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 1998

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