

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 1110 (Delegate C. Davis)

Ways and Means

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**Horse Racing - Special Fund - Taxes**

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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, 2000 (it is currently scheduled to increase to 0.5% on June 30, 1999).

This bill is effective June 1, 1999, and sunsets on June 30, 2000.

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**Fiscal Summary**

**State Effect:** General fund revenues would decline by an estimated \$1,174,400 in FY 2000. Expenditures would not be affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Fiscal Analysis**

**State Revenues:** The current wagering tax rate is 0.32%, and is to revert to 0.5% on June 30, 1999. Extending the lower rate until June 30, 2000, will maintain wagering tax revenues at their current level of about \$1.8 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 \$1,174,400 will be in the special fund as of June 30, 2000; this amount would be distributed to the two breeders' funds rather than the general fund.

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**Information Source(s):** Department of Labor, Licensing, and Regulation (State Racing Commission); Department of Legislative Services

**Fiscal Note History:**

First Reader - March 11, 1999

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