

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

Senate Bill 104 (Senator Bromwell)

Finance

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State Lottery - Lotteries for Maryland Stadium Authority

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This bill repeals the restriction under current law that the State Lottery Agency must conduct 2, but no more than 4, sports lotteries for the benefit of the Maryland Stadium Authority.

The bill is effective July 1, 1999.

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Fiscal Summary

**State Effect:** Indeterminate, but potentially significant, increase in general fund revenue.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Fiscal Analysis

**State Revenues:** The Maryland Stadium Facilities Fund finances all the Maryland Stadium Authority's activities in the Camden Yards complex, including construction, operations, debt service, and administrative expenses. The fund is funded in part by sales of sports theme lottery tickets. In fiscal 2000 the State Lottery Agency is required to contribute \$24 million to the fund. It is estimated that revenue from The Big Game will contribute approximately \$13.3 million towards this total, with the remaining \$10.7 million coming from sports theme instant games.

The State Lottery Agency reports that sport theme games are not as popular as other types of games. In fiscal 1998 the average weekly sales of the \$1, \$2, and \$5 sports theme games was about \$488,000 for the first 10 weeks that the games were on sale. For the same period, the

average weekly sales for the same priced tickets for non-sports theme games was \$754,000, resulting in a difference of \$266,000 per week.

The bill allows the State Lottery Agency to replace the less popular sports theme tickets with games that draw a larger customer base while still dedicating the proceeds for specified games to the Stadium Authority. This would allow the agency to match the annual appropriation for the Stadium Facilities Fund at a faster rate, thus making more games available to benefit the general fund. Given the comparative experience of fiscal 1998, it is assumed that the additional revenue generated could be significant. For illustrative purposes, if weekly sales are increased by \$266,000 and this increase is sustained for 26 weeks, almost \$7 million in additional sales would be generated, resulting in a general fund revenue increase of approximately \$2 million each year.

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

**Fiscal Note History:** First Reader - February 9, 1999

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