

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1055 (Delegates Hixson and C. Davis)
Ways and Means

Horse Racing - Purse Fund Enhancement

This bill requires the one-time distribution of \$10 million of net fiscal 2000 lottery revenues in excess of \$366,813,000 (that would otherwise be paid to the general fund) to a special fund to increase purses at race tracks and to supplement existing bred funds. If lottery revenues do not provide the \$10 million, the Governor may request a deficiency appropriation during the 2000 session to make up the difference.

The bill takes effect June 1, 2000, and sunsets June 30, 2001.

Fiscal Summary

State Effect: The \$10 million distribution to the special horse fund could either affect general fund revenues in FY 2000 or general fund expenditures in FY 2001.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Chapter 168 of 1999 authorized the one-time distribution of \$10 million of net fiscal 1999 lottery revenues in excess of \$352,175,000 (that would otherwise be paid to the general fund) to a special fund to increase purses at race tracks and to supplement existing bred funds.

State Fiscal Effect: If net lottery revenues in excess of \$366,813,000 are distributed to the

special horse fund, general fund revenues in fiscal 2000 could decrease by up to \$10 million. If distributions to the special fund are made through a deficiency appropriation, general fund expenditures could increase by up to \$10 million in fiscal 2001. Special fund revenues would increase by a corresponding amount in fiscal 2000 and would be distributed as follows:

Distribution of \$10 million to Purses and to the Bred Funds			
Purses (89%)		Bred Funds (11%)	
Thoroughbred	Harness	Maryland-Bred Race Fund	Maryland Standardbred Race Fund
(70%)	(30%)	(70%)	(30%)
\$6,230,000	\$2,670,000	\$770,000	\$330,000

Additional Information

Prior Introductions: None.

Cross File: SB 814 (Senator Bromwell - Finance) is listed as a cross file although it is different.

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

Fiscal Note History: First Reader - March 12, 2000
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