

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

House Bill 642 (Delegate C. Davis, *et al.*)
Ways and Means

Horse Racing - Purse Fund Enhancement

This bill requires the one-time distribution of \$10.25 million of net fiscal 2001 lottery revenues in excess of \$383,400,000 (that would otherwise be paid to the general fund) to a special fund to increase purses at race tracks, supplement existing bred funds, and to provide a payment to the Health and Welfare Trust maintained by the Jockey's Guild, Inc. If lottery revenues do not provide the \$10.25 million, the Governor may request a deficiency appropriation during the 2002 session to make up the difference.

The bill takes effect June 1, 2001 and sunsets June 30, 2002.

Fiscal Summary

State Effect: The \$10.25 million distribution to the special horse fund could either affect general fund revenues in FY 2001 or general fund expenditures in FY 2002.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Chapter 309 of 2000 authorized 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 are not sufficient to provide \$10 million, the Governor may request a general fund deficiency appropriation during the 2001 session to make up the difference.

State Fiscal Effect: If net lottery revenues in excess of \$383,400,000 are distributed to the special horse fund, general fund revenues in fiscal 2001 could decrease by up to \$10.25 million. If distributions to the special fund are made through a deficiency appropriation, general fund expenditures could increase by up to \$10.25 million in fiscal 2002. Special fund revenues would increase by a corresponding amount in fiscal 2001 and would be distributed as follows:

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

In addition, \$250,000 is required to be paid to the Health and Welfare Trust maintained by the Jockey's Guild, Inc., for the purpose of providing health, disability, and retirement benefits to active, disabled, and retired jockeys who are or have been regularly riding in Maryland.

Additional Information

Prior Introductions: A similar bill was introduced as HB 1055 in the 2000 session. It received an unfavorable report by the House Ways and Means Committee.

Cross File: None.

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

Fiscal Note History: First Reader – March 7, 2001
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