

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 764 (Senator Bromwell)

Finance and Judicial Proceedings

Ways and Means and Appropriations

**Horse Racing - Special Fund - Use of Lottery Funds**

This emergency bill requires that lottery revenues be distributed to the Horse Racing Special Fund to replace payments made to the Racing Facility Redevelopment Bond Fund pursuant to the Racing Act of 2000, unless otherwise provided in the budget. The amount of lottery funds distributed to the special fund must be equivalent to the payments made to the bond fund.

The bill sunsets June 30, 2002.

**Fiscal Summary**

**State Effect:** General fund revenue decrease and a corresponding special fund revenue increase of approximately \$1.7 million in FY 2002.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	(\$1,700,000)	\$0	\$0	\$0	\$0
SF Revenue	1,700,000	0	0	0	0
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Local government revenues would increase by approximately \$436,200 in FY 2002 as a result of the \$1.7 million distribution to the Horse Racing Special Fund.

**Small Business Effect:** Minimal.

## Analysis

**Current Law:** Chapter 309 of 2000 established the Racing Facility Redevelopment Bond Fund as a nonlapsing revolving fund to be used to pay the debt service on bonds issued by MEDCO for the redevelopment of tracks. Beginning in fiscal 2002, excess lottery funds above specified amounts (that would otherwise be paid to the general fund) are to be distributed to the Horse Racing Special Fund in an amount equal to the payments made to the bond fund. If excess lottery funds are not sufficient to fully credit the Horse Racing Special Fund, the Governor may request a general fund deficiency appropriation during the next legislative session to make up the difference. Beginning in fiscal 2004, if any amount of funds from the uncashed pari-mutuel tickets is not needed for the redevelopment program, the funds will revert to the Horse Racing Special Fund.

**Background:** Money from the Horse Racing Special Fund is distributed to fairs, the Maryland Million, local impact aid, track operations, purses, and bred funds.

**State Fiscal Effect:** The Governor's proposed fiscal 2002 budget assumes the distribution of \$1.7 million in uncashed pari-mutuel tickets to the bond fund pursuant to Chapter 309 of 2000. Because the bill requires that lottery revenues be distributed to the Horse Racing Special Fund in an amount equal to that amount, general fund revenues would decrease by an estimated \$1.7 million in fiscal 2002. Special fund revenues would increase correspondingly.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** HB 908 (Delegates Hixson and C. Davis ) – Ways and Means and Appropriations.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader – March 1, 2001  
ncs/cer Revised – Clarification – March 5, 2001  
Revised – Senate Third Reader – March 22, 2001  
Revised – Enrolled Bill – April 26, 2001

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