

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1441
Ways and Means

(Delegate Marriott, *et al.*)

Finance

Baltimore City - Pimlico Community Development Authority

This bill establishes an 11-member Pimlico Community Development Authority to distribute funds received to pay for facilities and services in Baltimore City communities within two miles of the Pimlico Race Course. The bill provides for the membership of the authority and for the terms of members. The bill requires that 80% of the local impact aid that is paid to Baltimore City from the horse racing special fund be paid instead to the authority.

Fiscal Summary

State Effect: None.

Local Effect: The Pimlico Community Development Authority in Baltimore City would receive \$468,200 annually beginning in FY 2006. Baltimore City government would realize a corresponding decrease in local impact aid. Baltimore City expenditures would not be affected.

Small Business Effect: Minimal.

Analysis

Current Law: There is no Pimlico Community Development Authority.

Background: Funds from the horse racing special fund are distributed to jurisdictions where race tracks are located to help pay for facilities and services within a specified distance from a track. Funds are distributed in half-yearly installments. If 140 or more days of live racing in a year are held at Pimlico, Baltimore City is to receive \$2,800 for

each day of live racing and \$1,400 for each additional day of intertrack betting without live racing. If fewer than 140 days of live racing in a year are held at Pimlico, Baltimore City is to receive \$2,800 for each day of live racing or intertrack betting without live racing held, up to a maximum payment for 140 days; and \$1,400 for each additional day of intertrack betting without live racing held.

The bill does not alter the amount to be distributed from the special fund for impact aid – only the recipients of the funds.

Local Fiscal Effect: The bill requires that 80% of the local impact aid that would otherwise be designated to Baltimore City for payment for facilities and services to communities surrounding the Pimlico Race Course be directed to the Pimlico Community Development Authority. For fiscal 2006 it is estimated the Baltimore City would receive \$585,200 in local impact aid from the horse racing special fund. As a result, the Pimlico Community Development Authority would receive \$468,160 in fiscal 2006 and the Baltimore City government would receive \$117,040.

Baltimore City advises that typically the city government allocates from \$100,000 to \$115,000 of the local impact aid from the horse racing special fund to city agencies for projects or services in the vicinity of the Pimlico race track. The balance of the impact aid is allocated to two entities, the Northwest Baltimore Corporation and the Development Corporation. These entities use this funding to coordinate various activities relating to the race track and for housing redevelopment. Baltimore City advises that the Northwest Baltimore Corporation no longer exists. **Exhibit 1** shows the allocation of local impact aid under current practice and pursuant to this legislation. Baltimore City would still be able to allocate any portion of the remaining amount (\$117,040) to the Development Corporation.

Exhibit 1
Allocation of Pimlico Local Impact Aid

	<u>Current Practice</u>	<u>Under HB 1441</u>
City Agencies	\$100,000 to \$115,000	\$117,040
Northwest Baltimore Corporation/ Development Corporation	\$470,200 to \$485,200	\$0
Pimlico Community Development Authority	\$0	\$468,160
Total Impact Aid	\$585,200	\$585,200

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Baltimore City; Department of Legislative Services

Fiscal Note History: First Reader - March 18, 2005
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Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510