

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

House Bill 1361 (Delegates Kach and Barve)
 Ways and Means

Horse Racing - Study on Making Maryland Horse Industry More Competitive

This bill requires the Secretary of Labor, Licensing, and Regulation to contract with an outside consultant to conduct a study on what steps may be taken to make the horse industry in the State more competitive with the horse industry in neighboring states. The bill requires the Governor to include \$250,000 in the fiscal 2008 State budget for the outside consultant. The Secretary of Labor, Licensing, and Regulation is required to report to the Legislative Policy Committee on the findings and recommendations of the outside consultant by January 1, 2008.

The bill takes effect July 1, 2006 and terminates June 30, 2008.

Fiscal Summary

State Effect: General fund expenditure increase of \$250,000 in FY 2008 for the contract with the outside consultant to conduct a study on ways of making the horse industry more competitive. No effect on revenues.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	250,000	0	0	0
Net Effect	\$0	(\$250,000)	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The study required by the bill must address the following topics: (1) the specific capital improvements needed at racetracks in the State in order for them to be competitive with racetracks in neighboring states; (2) whether the number of racing days awarded by the State Racing Commission and the times allowed for racing should be changed; (3) how the current purse structures for thoroughbred racing and standardbred racing in the State should be changed to attract more competitive fields to compete with thoroughbred racing and standardbred racing in neighboring states; (4) to what extent more State aid is required, including capital improvements and funding to make purses competitive with neighboring states; (5) ways to develop marketing strategies; (6) ways to improve the horse breeding industry; and (7) the current status of the horse industry in the State generally.

Background: The 2002 Maryland Equine Census indicates that: (1) approximately 685,000 acres of land in Maryland are devoted to the horse industry; (2) equine related assets totaled \$5.2 billion; (3) there are 20,200 horse farms and 87,000 horses in Maryland; (4) Maryland horses are worth \$680 million; and (5) individuals involved in the horse industry own \$3.9 billion worth of land, fencing, and facilities.

State Fiscal Effect: The bill requires the Governor to include \$250,000 in the State budget for fiscal 2008 for the outside consultant contract. As a result, general fund expenditures would increase by \$250,000 in fiscal 2008.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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