

Department of Legislative Services  
 Maryland General Assembly  
 2006 Session

FISCAL AND POLICY NOTE

House Bill 366 (Delegate Cardin, *et al.*)  
 Ways and Means

State Lottery Proceeds - Problem Gambling Council of Maryland

This bill requires \$100,000 of State Lottery net revenues to be distributed annually to the Problem Gambling Council of Maryland. Grant money distributed under the bill must be used to pay operating expenses for problem gambling reduction programs provided to Maryland residents. The Problem Gambling Council of Maryland is required to report on the use of the grant money annually to the Senate Finance Committee and the House Ways and Means Committee.

The bill terminates September 30, 2008.

Fiscal Summary

**State Effect:** General fund revenues would decrease by \$100,000 annually in FY 2007 through 2009 due to a reduction in available lottery revenues. Special fund revenues and expenditures would increase by \$100,000 annually in FY 2007 through 2009 due to distributions mandated by the bill.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
GF Revenue	(\$100,000)	(\$100,000)	(\$100,000)	\$0	\$0
SF Revenue	100,000	100,000	100,000	0	0
SF Expenditure	100,000	100,000	100,000	0	0
Net Effect	(\$100,000)	(\$100,000)	(\$100,000)	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** Net revenues from sport lotteries conducted for the benefit of the Maryland Stadium Authority are distributed into the Maryland Stadium Facilities Fund and the net revenues from other State lotteries are distributed to the general fund.

**Background:** Net revenues from State lotteries are projected to total approximately \$504.7 million in fiscal 2007. Based on this estimate, \$21.0 million will be distributed to the Maryland Stadium Facilities Fund and \$483.7 million will be distributed to the general fund.

**State Fiscal Effect:** General fund revenues would decrease by \$100,000 annually in fiscal 2007 through 2009 due to a reduction in available lottery revenues. Special fund revenues and expenditures would increase by \$100,000 annually in fiscal 2007 through 2009 as a result of the grants provided to the Problem Gambling Council of Maryland. The bill is effective October 1, 2006 and terminates September 30, 2008, which represents three fiscal years. The administrative costs at the Lottery Agency and Comptroller's Office associated with the provisions of the bill could be handled within existing budgeted resources.

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### Additional Information

**Prior Introductions:** SB 111 of 2005, an identical bill, passed the Senate but was not reported from the House Ways and Means Committee.

**Cross File:** SB 149 (Senator Klausmeier, *et al.*) – Finance.

**Information Source(s):** Comptroller's Office, Maryland State Lottery Agency, Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2006  
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