

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 784

(Senator King, *et al.*)

Budget and Taxation

Ways and Means

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Horse Racing - Purse Dedication Account - Allocation of Funds

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This bill alters the distribution of specified funds, established under Chapter 4 of the 2007 special session, from the Purse Dedication Account. Out of the funds dedicated to the thoroughbred and standardbred industries, the bill allocates 89% to purses and 11% to the respective bred funds.

The bill also specifies that the 89% dedicated to standardbred purses may only be used for purses at Rosecroft Raceway and Ocean Downs Race Course. The bill further requires that of this amount, 70% of the funds must be allocated to Rosecroft Raceway and the remainder allocated to Ocean Downs Race Course, provided that at least 100 live racing days were conducted at Rosecroft in the previous calendar year. If the threshold is not met, the Racing Commission must determine the allocation to standardbred purses and the Standardbred Race Fund.

The bill takes effect October 1, 2008, contingent upon the taking effect of Chapter 4.

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Fiscal Summary

**State Effect:** None. The bill does not alter the total amount of funds to be distributed to the Purse Dedication Account.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## Analysis

**Background:** During the 2007 special session, the General Assembly passed a constitutional amendment (Chapter 5) authorizing up to 15,000 video lottery terminals (VLTs) at five locations and a bill that establishes the operational and regulatory framework for VLTs, (Chapter 4) which is contingent on voter approval of the constitutional amendment at the 2008 general election. If approved, 7% of VLT revenues, but not exceeding \$100.0 million, will be dedicated to racing purses. Eighty percent of the purse funds will go to the thoroughbred industry and 20% to the standardbred industry; out of the funds dedicated to each industry, 85% will go to purses while 15% will go to the respective bred funds.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 11, 2008  
mcp/rhh Revised - Senate Third Reader - March 26, 2008

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