

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 911
Budget and Taxation

(Senator King, *et al.*)

Ways and Means

Horse Racing - Purse Dedication Account - Allocation of Funds

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 allocated to the thoroughbred and standardbred industries, the bill allocates 89% to purses and 11% to the respective bred funds.

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.

Analysis

Current Law/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 established the operational and regulatory framework for VLTs (Chapter 4). The constitutional amendment was passed by the voters at the 2008 general election. As a result, 7% of VLT proceeds, not to exceed \$100.0 million annually, will be dedicated to horse racing purses when VLTs become operational. Eighty percent of the purse funds are allocated to the thoroughbred industry and 20% to the standardbred industry; out of the funds allocated to each industry, 85% will go to purses while 15% will go to the respective bred funds.

Additional Information

Prior Introductions: SB 784 of 2008 as introduced was identical to this bill; it was amended by the Senate Budget and Taxation Committee and passed the Senate. The House Ways and Means Committee had a hearing on the bill but no further action was taken.

Cross File: HB 1212 (Delegate Hixson, *et al.*) - Ways and Means.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - March 16, 2009
ncs/rhh

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