

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

House Bill 1212  
Ways and Means

(Delegate Hixson, *et al.*)

Budget and Taxation

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

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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

**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.

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## **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:** SB 911 (Senator King, *et al.*) - Budget and Taxation.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2009  
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