

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Enrolled

Senate Bill 480

(Senator Ferguson)

Budget and Taxation

Ways and Means

**Baltimore City - South Baltimore Gateway Community Impact District
Management Authority - Distribution of Local Impact Grants**

This bill requires the State to distribute specified local impact grants directly to the South Baltimore Gateway Community Impact District Management Authority. Baltimore City is no longer required to establish a schedule for the distribution and expenditure of funds provided to the South Baltimore Gateway Community Impact District Management Authority. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: None. The change is procedural in nature and does not directly affect governmental finances.

Local Effect: Having local impact grants distributed directly to the South Baltimore Gateway Community Impact District Management Authority instead of to Baltimore City first for the city to distribute the funds to the authority does not affect Baltimore City finances, although it creates operational efficiencies.

Small Business Effect: None.

Analysis

Current Law: From the video lottery terminal proceeds at each video lottery facility, generally 5.5% of the proceeds are distributed as local impact grants to local governments in which a video lottery facility is operating.

Generally, 82% of the local impact grants must go to the local jurisdictions with video lottery facilities to be used for infrastructure improvements; facilities; public safety; sanitation; economic and community development, including housing; and other public services and improvements in the communities in immediate proximity to the video lottery facilities. Baltimore City must establish a schedule for the distribution and expenditure of these funds and provide a quarterly report to the Legislative Policy Committee on the distribution of these funds. In Baltimore City, beginning in fiscal 2018, at least 50% of its local impact grants must be distributed to the South Baltimore Gateway Community Impact District Management Authority.

The purpose of the [South Baltimore Gateway Community Impact District Management Authority](#) is to:

- provide the district with supplemental security, maintenance, sanitation, and other public services above and beyond those already provided by city government (the “enhanced services”);
- disperse grants to local community and nonprofit organizations within the district (the “community grants”);
- undertake transformational community development and economic development projects, designed to improve the quality of life and economic conditions within the district (the “transformational projects”);
- implement the recommendations outlined in the South Baltimore Gateway Master Plan adopted by the planning commission in 2015, as that plan may be modified or superseded from time to time by the planning commission; and
- provide other services and functions determined by the board to be in the best interests of the district.

Background: Baltimore City did not include funding from local impact grants to the South Baltimore Gateway Community Impact District Management Authority in its fiscal 2018 budget because the city thought the funds would go directly to the authority, but the Comptroller advised that the funds must first go to Baltimore City. Thus, Baltimore City had a supplemental appropriation to direct the funds to the South Baltimore Gateway Community Impact District Management Authority.

The South Baltimore Gateway Community Impact District Management Authority is projected to receive \$6.3 million in local impact grants in fiscal 2019.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2018
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