

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

House Bill 529

(Delegates Rosenberg and Attar)

Ways and Means

Budget and Taxation

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**Gaming - Video Lottery Terminals - Local Impact Grants and Pimlico  
Community Development Authority Membership - Baltimore City**

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This bill alters the distribution of video lottery terminal (VLT) local impact grants within Baltimore City. From fiscal 2024 to 2032, 85% (instead of 75% under current law) of certain revenues are to be distributed primarily for capital projects benefitting economic and community development in a manner that is consistent with the Park Heights Master Plan. The increase in distributions for this purpose results in a decrease in distributions for capital projects in other specified Baltimore City areas and neighborhoods. The bill also provides that certain members of the Pimlico Community Development Authority (PCDA) appointed by the Mayor of Baltimore City are appointed with the advice and consent of the Senate. **The bill takes effect July 1, 2023.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** The total of annual local impact grants distributed to Baltimore City is not affected. While the total of local impact grants to be distributed within Baltimore City is not altered, the amount distributed in a manner consistent with the Park Heights Master Plan increases, beginning in FY 2024, and the amount distributed to other specified areas within Baltimore City decreases by an equivalent amount. This shift in distributions amounts to \$363,500 in FY 2024 and \$424,200 by FY 2028.

**Small Business Effect:** Minimal.

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## Analysis

**Current Law:** Generally, 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 primarily in the communities in immediate proximity to the video lottery facilities.

From the gross VLT proceeds from a video lottery facility, 5.5% is allocated for local impact grants. After deducting the 5.5% shares for Allegany, Cecil, and Worcester counties, and additional distributions totaling \$720,000 to Allegany, Cecil, and Worcester counties, as well as the Town of Perryville and the Town of Forest Heights, 82% of the VLT local impact grants are split by Baltimore City, Anne Arundel and Prince George's counties. The remaining 18% is distributed for 20 years (starting in fiscal 2012 and ending in 2032) to Baltimore City and to Prince George's County for the community surrounding Rosecroft (\$1.0 million annually). Beginning with fiscal 2015, \$500,000 of that 18% is distributed to communities within three miles of Laurel Race Course. For fiscal 2022 to 2032, \$3.5 million of that 18% is provided to the State Lottery Fund.

From the remaining revenues from the 18% Baltimore City share, the greater of 24% or \$2.4 million goes to Park Heights Renaissance, Inc. and the remainder to Baltimore City with the PCDA acting as the local development council, to be distributed primarily for capital projects benefiting economic and community development. Of this latter portion, 75% is distributed in a manner that is consistent with the Park Heights Master Plan, and 25% is distributed to specified neighborhoods in Baltimore City, excluding the area covered by the Park Heights Master Plan.

In addition, 5% of table game revenues are distributed to local jurisdictions where a video lottery facility is located.

The PCDA uses certain funding to pay for facilities and services in the communities in the Baltimore City limits within two miles of the Pimlico Race Course. The PCDA consists of 15 members, 10 of whom are appointed by the Mayor of Baltimore City after consultation with the members of the Baltimore City Delegation representing Districts 40 and 41.

**Local Fiscal Effect:** The sum of VLT local impact grants, including those to Baltimore City, is not altered. The portion of these grants that are distributed to Baltimore City with the PCDA acting as the local development council is an estimated \$3.6 million in fiscal 2024. Under current law, 75% of this amount, or \$2.7 million, is distributed in a manner that is consistent with the Park Heights Master Plan. Under the bill, 85%, or \$3.1 million, is distributed in this manner. This amounts to an increase of approximately \$363,500. Consequently, the portion of the \$3.6 million to be distributed

elsewhere in Baltimore City is reduced by \$363,500. By fiscal 2028, the increase in funds distributed in a manner that is consistent with the Park Heights Master Plan is projected to be approximately \$424,200, and therefore funds available to other specified areas within Baltimore City are reduced by this amount.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2023  
km/jrb Third Reader - March 20, 2023  
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