

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



Montgomery Park Business Center
1800 Washington Blvd., Ste. 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

DATE: February 10, 2025
BILL NO: House Bill 650
BILL TITLE: Maryland Fair and Agricultural Education Promise Fund - Establishment (Maryland Fair and Agricultural Education Promise Act)
COMMITTEE: Environment and Transportation
POSITION: Information

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) provides the following information regarding House Bill 650, Maryland Fair and Agricultural Education Promise Fund - Establishment (Maryland Fair and Agricultural Education Promise Act).

Bill Summary:

HB 650 proposes establishing the Maryland Fair and Agricultural Promise Fund. The fund would provide grants to advance agricultural fairs and education in the State. The fund would consist of revenue distributed to the fund under § 9-120 (B)(1)(XIV) of the State Government Article.

Background:

The allocation of funds from the State Lottery Fund to special funds decreases the amount of money transferred to the General Fund. Allocating any additional revenue from the State Lottery Fund will place the State’s AA Bond Rating at risk of being downgraded. The Board of Revenue Estimates (BRE) considers total lottery revenues and makes projections based on the revenues less the current distributions. Table 1 reflects the projected distribution of lottery funds as well as the coverage amounts for mandated disbursements. The coverage amount is determined by dividing the total lottery revenue by the total mandated disbursement. When the coverage amount is 3.1x or lower, the bond rating can be downgraded. BRE has projected, based on current allocations, that the coverage amount will be 3.1x in FY26 and 2.9x in FY27 and FY28. Adding an additional allocation of \$1.45 million reduces the coverage further leaving Maryland at risk of having its AA Bond rating downgraded.

Table 1 – Projected Coverage Amounts

Distribution of Lottery Fund (Millions)	FY25	FY26	FY27	FY28
TOTAL LOTTERY REVENUE	671	664	665	666
MD Stadium Facilities	14.2	14.2	3.4	3.4
Camden Yards - Football	34.9	34.9	45.0	45.0
Camden Yards - Baseball		40.9	41.6	41.6
MD Veterans Trust Fund	0.3	0.3	0.3	0.3

RCDFE		29.3	29.3	29.3
AA County & Baltimore City	1.6	1.4	1.2	1.0
Baltimore City School Construction	20.0	20.0	20.0	20.
MD International Fund				
Michael E. Busch Sports Fund	1.0	1.0	1.0	1.0
MD Humanities Council for History	0.2	0.2	0.2	0.2
Maggie McIntosh School Arts Fund	0.3	0.3	0.3	0.3
Sports Entertainment Facilities Financing Fund	12.4	12.4	25.0	25.0
Major Sports & Entertainment Event Program Fund	7.0	5.0	5.0	5.0
MD DOT Bus Rapid Transit System	27.0	27.0	27.0	27.0
PGCFF	27.0	27.0	27.0	27.0
TOTAL MANDATED DISBURSEMENTS	147	214	226	226
COVERAGE OF MANDATED DISBURSEMENTS	4.6x	3.1x	2.9x	2.9x
GENERAL FUND	524	450	439	440

Rationale:

The Agency offers you this information for your consideration as you debate HB 650.

Should you have any questions about this Letter of Information, please contact Jennifer Beskid, Director Legislation and Policy at 443-571-4390 or Jennifer.beskid1@maryland.gov.