

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

House Bill 1503 (Delegate Rudolph)  
Ways and Means

---

Horse Racing - Purse Dedication Account - Annual Grant to Fair Hill

---

This bill increases the amount of the annual grant to Fair Hill from the amount provided to thoroughbred purses from the Purse Dedication Account (PDA) from \$100,000 to \$150,000. Fair Hill is defined as the Cecil County Breeders' Fair, Inc.

---

Fiscal Summary

**State Effect:** None. The bill does not alter the total amount from video lottery terminal proceeds distributed to the PDA, but rather the distribution of PDA funds beginning in FY 2014. The annual grant to Fair Hill will increase by \$50,000 and funds for thoroughbred purses will decrease by \$50,000 beginning in FY 2014.

**Local Effect:** None.

**Small Business Effect:** Minimal.

---

Analysis

**Current Law:** From the amount provided to thoroughbred purses from the PDA, Fair Hill receives an annual grant of \$100,000.

**Background:** The statute that authorizes the State's gaming program also specifies uses of the video lottery terminal (VLT) revenue to the benefit of the horse racing industry. The Division of Racing's proposed fiscal 2014 budget includes \$42.3 million (7.0% of VLT revenues) to the PDA to enhance horse racing purses and bred funds. Of this amount, 80.0% is allocated to the thoroughbred industry and 20.0% to the standardbred industry. Chapter 1 of the 2012 second special session (SB 1) lowered the amount of

revenue dedicated to the PDA from 7% to 6% effective when a license is issued for the Prince George's County VLT facility.

Fair Hill is a steeplechase racecourse in Cecil County. Races are held at Fair Hill during a one-day race meeting on the Saturday of Memorial Day weekend each year.

**State Fiscal Effect:** As noted \$42.3 million, or 7.0% of VLT revenues are dedicated to the PDA to enhance horse racing purses and bred funds in fiscal 2014. Of this amount, \$33.84 million (80.0%) is allocated to the thoroughbred industry and \$8.46 million (20.0%) to the standardbred industry. The bill requires an additional \$50,000 to be provided to Fair Hill each year. As a result, Fair Hill will receive \$50,000 more each year and thoroughbred purses will receive \$50,000 less than under current law beginning in fiscal 2014.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 18, 2013  
mlm/rhh

---

Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510