

Department of Legislative Services  
 Maryland General Assembly  
 2026 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

House Bill 972

(Delegate Miller, *et al.*)

Environment and Transportation

Education, Energy, and the Environment and  
 Budget and Taxation

Maryland Fair and Agricultural Education Promise Fund - Establishment (  
 Charles J. Otto Agricultural Education Promise Act)

This bill establishes the Maryland Fair and Agricultural Education Promise Fund to advance agricultural fairs and education in the State. The bill requires the Governor to include \$200,000 for the new special fund in the annual budget bill each fiscal year. The bill also repeals a requirement that a specified amount from the State horse racing special fund be provided to the Maryland Agricultural Education Foundation to promote statewide agricultural education. **The bill takes effect June 1, 2026.**

Fiscal Summary

**State Effect:** No effect in FY 2026. Horse racing special fund revenues increase by \$75,000 annually beginning in FY 2027, but spending from that fund is unaffected. General fund expenditures increase by \$200,000 annually beginning in FY 2028, and special fund revenues and expenditures increase by the same amount. **This bill eliminates a mandated distribution beginning in FY 2027 and establishes a mandated appropriation and mandated distributions beginning in FY 2028.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$75,000	\$275,000	\$275,000	\$275,000	\$275,000
GF Expenditure	\$0	\$200,000	\$200,000	\$200,000	\$200,000
SF Expenditure	\$0	\$200,000	\$200,000	\$200,000	\$200,000
Net Effect	\$75,000	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

**Local Effect:** None.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** The bill establishes the Maryland Fair and Agricultural Education Promise Fund as a special, nonlapsing fund, administered by the Comptroller, to advance agricultural fairs and education in the State. The fund consists of (1) an annual \$200,000 mandated appropriation included in the State budget; (2) interest earnings; and (3) any other money from any other source accepted for the benefit of the fund.

The bill requires the Comptroller to pay annual grants from the fund of (1) \$100,000 to the Maryland Agricultural Education Foundation to promote and enhance statewide agricultural education and (2) \$100,000 to the Maryland FFA Association for agricultural education and career development.

The bill also repeals a provision of law that mandates a grant from the horse racing special fund of \$75,000 to the Maryland Agricultural Education Foundation to promote and enhance statewide agricultural education.

**Current Law:** Revenues from pari-mutuel taxes and license fees, as well as other horse racing revenues, are credited to the horse racing special fund. The Comptroller makes the following grant distributions from the special fund:

- \$825,000 to the Maryland Agricultural Fair Board (for promotion of fairs and exhibits);
- \$500,000 for the Maryland Million and \$350,000 for the Sire Stakes Program;
- for as long as the Maryland State Fair remains at the Timonium Fairgrounds, \$500,000 to the Maryland State Fair and Agricultural Society, Inc. (for promotion and enhancement of the fair);
- \$50,000 to Baltimore County (to replace former revenues);
- \$100,000 to Prince George's County (to replace former revenues from the admissions and amusement tax);
- \$40,000 to the Great Frederick Fair to support exhibition harness races;
- \$75,000 to the Maryland Agricultural Education Foundation;
- \$20,000 to the Great Pocomoke Fair;
- up to \$500,000 for the Maryland International Thoroughbred Race; and
- local impact aid.

In recent years, revenues from the horse racing special fund have been insufficient to fulfill the expected local impact aid allocation to each jurisdiction and the other mandated uses, mainly due to a reduction in racing days. In any fiscal year that revenues to the special fund are not sufficient to fully fund local impact aid, the Comptroller must proportionately reduce the amount of grants required to be paid.

**State Fiscal Effect:** General fund expenditures for the Maryland Fair and Agricultural Education Promise Fund increase by \$200,000 annually beginning in fiscal 2028, and special fund revenues for the new fund increase by the same amount beginning in fiscal 2028. Special fund expenditures from the new fund to provide grants to the Maryland Agricultural Education Foundation and the Maryland FFA Association increase by \$200,000 annually beginning in fiscal 2028.

The bill repeals a mandated grant from the horse racing special fund of \$75,000 to the Maryland Agricultural Education Foundation. Thus, \$75,000 that would otherwise be distributed to the foundation will instead be available to use for other purposes beginning in fiscal 2027, all of which continues to be expended. As a result, certain other grantees likely receive more than they otherwise would due to the requirement for proportional reductions when funding is not sufficient.

Under the bill, the Maryland Agricultural Education Foundation does not receive funding in fiscal 2027, but beginning in fiscal 2028 its funding is \$100,000 annually.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 650 and SB 563 of 2025.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 24, 2026  
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