

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5538-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Shields
Carrier – Senate: Sen. Whitsett**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 18 – 0 – 3

- House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields
– Nays:
– Exc:
- Senate – Yeas: Carter, Devlin, Gordly, Johnson, Morse, Schrader, Verger, Westlund, Whitsett
– Nays:
– Exc: Bates, Nelson, Winters

Prepared By: Shawn Range, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: 3/2/07

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Oregon Racing Commission	I-18	462	2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Senator Betsy Johnson, Transportation and Economic Development
Subcommittee Chair

Budget Summary*

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
Other Funds	\$ 5,039,488	\$ 4,704,272	\$ 5,664,272	\$ +960,000	+20.4%

Position Summary

Authorized Positions	17	16	16	0
Full-time Equivalent (FTE) Positions	13.42	14.52	14.52	0.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Racing Commission was established in 1933 as part of the Pari-Mutuel Wagering Act. The Commission regulates all aspects of the pari-mutuel industry in Oregon. The Commission currently regulates all horse and greyhound racing where pari-mutuel wagering is conducted. Regulation occurs at both on track and off-track wagering facilities and covers all aspects of the operation. The Commission is entirely Other Funded and proceeds from pari-mutuel racing not used for the commission’s operation are transferred to the state General Fund. In addition, the commission regulates Multi-jurisdictional Wagering Hubs (Hubs) located in the state. Up to one quarter of one percent of all Hub wagers are collected by the agency, one third of these revenues are transferred to the state General Fund and two thirds are placed in the Racing Development Fund to be used for the benefit of the Oregon pari-mutuel racing industry. The Transportation & Economic Development Subcommittee approved an increased revenue forecast from the tax on hubs of \$1,440,000 to reflect the following factors. Average monthly collections of taxes from Hubs have been higher than previously projected. In addition, a seventh Hub has begun operating in Oregon during 2005-07 and an eighth may begin operation during 2007-09. Revenues were also adjusted to include additional Other Fund increases, including \$200,000 from unclaimed winning tickets or “outs” and \$160,136 from business licenses and fees.

Summary of Subcommittee Action

The mission of the Oregon Racing Commission is to regulate and facilitate all aspects of the pari-mutuel industry in the State of Oregon for the benefit of the citizenry, the licensees, the participants and the State of Oregon.

The Subcommittee approved a budget of \$5,664,272 Other Funds, a 28 percent increase from Essential Budget Level, and 14.52 full-time equivalent (FTE) positions.

Package 100: Position Reclass, was approved in the amount of \$9,572 Other Funds. This package will allow the reclassification of one position from an Office Specialist 1 to an Information Services Specialist 1 based on assigned duties as reviewed by Department of Administrative Services, Human Resources Services Division.

Package 101: Workload Management, was approved in the amount of \$269,009 Other Funds. This package will make permanent one limited duration Veterinarian position and increased to permanent, full-time one Veterinarian Assistant position. These two positions were established at the December 2006 meeting of the Emergency Board.

Package 807: Revenue Forecast Update, was approved in the amount of \$960,000 Other Funds. This package will increase Other Funds expenditure limitation for the additional two thirds of Hub revenue placed in special payments for the Racing Development Fund to be used for the benefit of the Oregon pari-mutuel racing industry.

Summary of Performance Measure Action

See attached Legislatively Adopted 2007-09 Key Performance Measures form.