

# REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly 2007  
Legislative Revenue Office

<b>Bill Number:</b>	<b>SB 5538-A</b>
<b>Revenue Area:</b>	General Fund
<b>Economist:</b>	Mazen Malik
<b>Date:</b>	03-15-2007

## Measure Description:

Limits biennial expenditure for the racing commission from fees taxes and other revenues, excluding lottery and federal revenues to \$5,664,272.

## Revenue Impact:

(\$ Thousands)	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
<b>State General Fund</b>	\$225.6	\$254.4	\$480.0	\$509.76
<b>State Other Funds</b>	451.2	508.8	960.0	1,019.52
<b>Total</b>	<b>\$676.8</b>	<b>\$763.2</b>	<b>\$1,440.0</b>	<b>\$1,529.28</b>

## Impact Explanation:

The bill gives general fund and the racing commission increased amounts of revenue based on eight Hubs operating. The Pari-mutual tax is set in rules by the commission within the 1% limit set by statutes. At this time, 0.25% of all Hub wagers are collected as tax by the commission. The General Fund receives 1/3 of the tax proceeds, as well as the ending balance of other revenue sources (after expenses). Thus, by increasing the tax base, the amounts of transfer (equal to 1/3 of the tax) is higher.

The Increase of the tax proceeds (to the General Fund) are about \$480,000 in 2007-09 biennium.

The General Fund transfer from the racing commission should be anticipated in the close of session forecast. Therefore, the increase in the General Fund revenue will increase the amounts anticipated in the forecast.

For the 2009-11 biennium, the increase amounts are expected to be lower since the growth in not additional hubs but the average annual rate of increase in disposable personal income (6.2%).

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