

**75<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: HB 5044**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Schaufler  
Carrier – Senate: Sen. Johnson**

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**Action:** Do Pass

**Vote:** 20 – 0 – 2

House – Yeas: Buckley, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, G. Smith

– Nays:

– Exc: Komp, Shields

Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

– Nays:

– Exc:

**Prepared By:** Rachel Nolin, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** April 17, 2009

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**Agency**

Oregon Racing Commission

**Budget Page**

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**Biennium**

2009-11

**Budget Summary\***

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
Other Funds	\$ 5,848,854	\$ 6,114,165	\$ 6,114,165	\$ 265,311	4.5%

**Position Summary**

Authorized Positions	16	16	16	0
Full-time Equivalent (FTE) positions	14.52	14.52	14.52	0

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Oregon Racing Commission was created in 1933 to regulate the pari-mutuel industry in Oregon. The Commission regulates all aspects of horse and greyhound racing where pari-mutuel wagering is conducted, including both on track and off-track wagering facilities. The agency’s budget consists entirely of Other Funds, which is supported by revenue derived from the state’s share of wagering receipts, license fees, and licensee fines.

The state’s share of total bets made at horse racing tracks and on simulcast horse races is 1%. The Commission also regulates Multi-jurisdictional Simulcasting and Interactive Wagering Totalizator Hub (Hubs) located in the state; up to one quarter of one percent of all Hub wagers are collected by the Commission. Statutorily, one third of these revenues are transferred to the state General Fund, with the remaining two thirds going to the agency’s Racing Development Fund to be used for the benefit of the Oregon pari-mutuel racing industry.

The Subcommittee reduced the agency’s 2009-11 Other Funds beginning balance by \$77,275 to reflect the actual projected balance. The new beginning balance is \$627,848 Other Funds.

Projections for business license fee revenues were adjusted to reflect the current number of Hubs, which is eleven, operating in Oregon. The change from the original estimate is an increase of \$291,200 Other Funds.

With these adjustments, the agency is projected to have a 2009-11 operational ending balance of approximately \$450,000 Other Funds. This amount is equivalent to approximately three months of operating expenses. Under statute, Commission revenues in excess of expenses and maintenance of a prudent ending balance are transferred to the General Fund. Due to static revenues related to live racing, a transfer of excess revenues is not expected for the 2009-11 biennium. The agency may need to increase license fees in the 2011-13 biennium. Some fees, such as those for race meet participants, have not been increased since the 1970s.

### **Summary of Transportation and Economic Development Subcommittee Action**

The Oregon Racing Commission oversees live horse racing at Portland Meadows Racetrack and at five county fair race sites. The agency also regulates horse and greyhound racing occurring at off-track betting sites and through wagering Hubs. The Commission's goals include promoting horse racing in Oregon while ensuring the integrity of the sport as well as the safety of the contestants, public, and animals. Regulatory activities of the Commission include licensing, inspections, and investigations of irregularities.

The Subcommittee approved a current program level budget for the Oregon Racing Commission of \$6,114,165 Other Funds and 14.52 full-time equivalent positions. No policy packages were requested by the agency.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2009-11 Key Performance Measures form.