

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2719**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Date: 02/16/2015

Measure Description:

Increases share of moneys retained by Oregon Racing Commission from payments received by commission from gross receipts of mutuel wagering recorded by totalizator system.

Government Unit(s) Affected:

Oregon Racing Commission

Summary of Expenditure Impact:

See Analysis.

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill would change the percentage of distribution of revenue from Advanced Deposit Wagering Companies (ADW') from 66 2/3% to 85% to benefit of the industry. Currently, funds are distributed to the five summer fair meets in Union, Grants Pass, Prineville, Tillamook, and Burns. In addition funds are distributed to the Oregon Thoroughbred Owners and Breeders Association, Oregon Quarter Horse Racing Association, Oregon Horsemen's Benevolent and Protective Association, and the commercial race meet at Portland Meadows. The current distribution directs 66 2/3% to the benefit of the industry and 33 1/3% to the General Fund (GF). The new distribution would be 85% to the benefit of the industry and 15% to the General Fund. This bill would result in a decrease in GF distributions.

The Oregon Racing Commission (ORC) projects collecting \$4,178,401 from the ADW's in the 2015-17 biennium. The majority of the revenue is collected in the first 6 months of the fiscal year and assuming a January 1, 2016 effective date, there would be a decrease of \$418,026 in distributions to the General Fund in 2015-17, with a corresponding increase in distributions to the racing industry.

If revenues from the ADW's remain flat, and further assuming no consolidations or relocations of ADW's in 2017-19, there would be a projected decrease of \$766,026 in distributions to the General Fund, and corresponding increase in distributions to the racing industry for the 2017-19 biennium.

Due to the effect on the General Fund, this bill warrants a referral to the Joint Committee on Ways and Means.