

2019 – 2020 Agency Budget Presentation

Oregon Racing Commission



Mission of the Oregon Racing Commission

- The Mission of the Oregon Racing Commission (ORC) 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 economy of the State of Oregon

Oregon Racing Commission Goals

- Continue to be the Leader in Licensing and Regulating Advance Deposit Wagering (ADW) Companies
- Promote Live Racing in Oregon to Enhance the Horse Racing Industry and Preserve Jobs
- Ensure the Safety and Security of Humans, Horses and Property

Historical Perspective

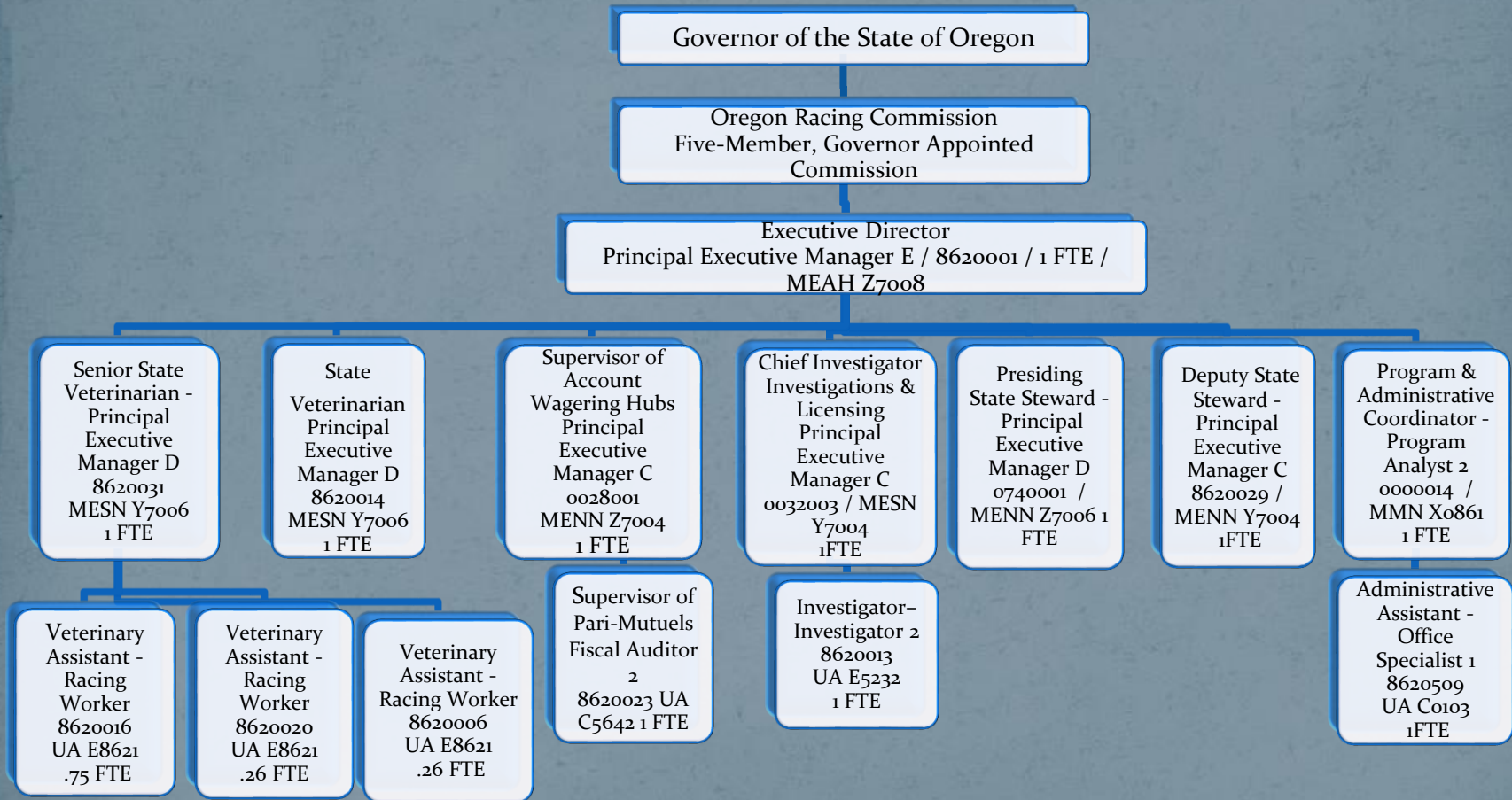
- The Oregon Racing Commission was established in 1933
- Responsible for Regulating the Pari-Mutuel Industry
- It's All About Integrity
 - People
 - Horses
 - Wagering System

Stakeholders and Target Groups

- Oregon Horse Associations
- Commercial and Summer Fair Race Meets
- Advanced Deposit Wagering (ADW) Companies
- Future of Racing in Oregon Group (FROG)



Organization Chart



Composition of the ORC

- Commission Members
- Administration
- Stewards
- Veterinarians & Test Barn
- Investigations & Licensing

Funding Streams

- Oregon Racing Commission Funding Streams:
 - Business and Participant License Fees
 - Charges for Services (Outs)
 - Fines and Forfeitures
 - Pari-mutuel Receipts (Live Racing & Simulcast)
 - Historical Racing
 - Pari-mutuel Receipts from ADW Companies (Racing Development Funds)

Program Performance

- Key Performance Measures:
 - Animal Safety
 - License Turnaround Time
 - Excellent Customer Service
 - Best Practices



Budget Drivers and Environmental Factors



- **Budget Drivers**
 - Continuation of Simulcast Network
 - Maintaining National Primacy in Licensing & Regulating ADW Companies
- **Environmental Factors**
 - Current and Future State of Racing
 - Impact on Local, Rural Economies
 - Retention of Advance Deposit Wagering Hubs

Changes to the ORC - Past 6 Years

- Current Horse Race Meets
 - Portland Meadows
 - Five Summer Fair Meets
- Growth in Advance Deposit Wagering Hubs
- Change to Annual Increase in Fee Structure for ADW Pari-Mutuel Receipts
- Summer Fair Test Barn Staff
- Staff Reduction of 1 FTE

Major Budgetary Issues Unique to the Oregon Racing Commission

- Survival of Live Race Meets as well as the Racing Industry as a Whole
- Vitality of Summer Race Meets for Rural Areas
- Crucial Role of Licensing and Tax Collection Through Advance Deposit Wagering Companies
- Possible Sale of Portland Meadows and its Impact on the Racing Industry

Major Budgetary Issues Unique to the Oregon Racing Commission-Continued

- Biennial Projection from Closure of Portland Meadows
 1. 37 Fewer Race Days
 2. New Non-Race Meet Simulcast Licensee Emerges
 3. Revenue Reduction from Loss of Historic Racing Projected to be Approximately 430K
 4. Live Racing at Summer Fairs Meets Only -Track Staff is Reduced to Seasonal
 5. Agency Cost for Personal Services and Services & Supplies Will be Reduced by Approximately 630K

Legislation

- SB 76

Exchange Wagering

- SB 77

ADW Hubs to Conduct Simulcast Broadcasting of, and Mutuel Wagering on, Previously Held Races

- SB 78

Non-Race Meet Simulcast Licensee

The End...



Questions?