



Oregon

Kate Brown, Governor

Oregon Racing Commission

800 NE Oregon St Ste 310

Portland, OR 97232-2162

(971) 673-0207

(971) 673-0213 - Fax

<http://racing.oregon.gov>

SB 78 - Statutory Authorization for Non-Race Meet Licensee to Conduct Simulcast Wagering

This measure would allow the ORC to issue a license to conduct off race course simulcast wagering to a qualified non-race meet applicant. Under current law only a race meet licensee is eligible to conduct such wagering.

The provision restricting simulcast wagering to a race meet licensee was adopted at a time when race tracks were competing for the right to simulcast. The increase in competing gaming options including tribal casinos, VLT's and other Oregon lottery offerings has made pari-mutuel wagering less profitable. The escalating value of real estate in Portland together with the added cost of compliance with environmental regulations have combined to make Portland Meadows less attractive as a racing venue and a prime site for re-development. The Portland Meadows property is currently under agreement for sale. As the only operating commercial race track in Oregon Portland Meadows is the sole licensee for simulcast wagering in the state. If Portland Meadows does not renew its racing license the statute as written would not authorize the ORC to license any entity to conduct simulcast wagering. Oregon residents wager approximately \$28M annually on horse and dog racing. The vast majority of this wagering (97%) is on simulcast events. Horse owners, trainers, breeders, the ORC, and the licensee conducting the simulcast wagering share in the revenue produced from this wagering activity. Of course the overall economic impact goes far beyond these groups.

The legislation is designed to allow the ORC, in the event no race meet licensee wishes to conduct simulcast wagering, to allow a non-race meet licensee to conduct such wagering. The residents of Oregon would thus continue to be able to patronize off track betting sites and wager on the Kentucky Derby, Breeders Cup, and other pari-mutuel races at various locations throughout the state. The Pari-Mutuel Wagering Act of 1933 established the ORC and pari-mutuel wagering in Oregon. The 85 year tradition of pari-mutuel wagering in Oregon and enthusiasm for the sport would be greatly curtailed by not having a simulcast licensee. If Portland Meadows is sold a new track operator would certainly be more likely to site a race track in Oregon if there continues to be solid wagering support for the simulcast product. The closure of Portland Meadows is not a death knell for racing in Oregon. It is an opportunity for another operator to come in and build a race track and run a commercial race meet to supplement the existing summer fair circuit. This legislation greatly enhances the chances of that development. Several groups have already expressed an interest in this market should Portland Meadows close. ORC authority to continue to license a simulcast applicant is critical to the industry.

