

Oregon Racing Commission

	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 Governor's Budget
Other Funds	6,179,495	3,899,658	6,329,944	6,901,392	6,590,140
Total Funds	6,179,495	3,899,658	6,329,944	6,901,392	6,590,140
Positions	14	14	14	14	14
FTE	12.27	6.14	10.40	10.40	10.39

* Includes Emergency Board and administrative actions through January 2021.

Program Description

The Oregon Racing Commission (ORC) regulates the pari-mutuel industry in Oregon. The commission oversees horse racing at county fair race meets, and at Grants Pass Downs, Oregon's only commercial race meet. The Commission also regulates off-site simulcast races, Multi-jurisdictional Simulcasting and Interactive Wagering Totalizer Hubs, and pari-mutuel matters, by auditing financial transactions and ensuring proper remittance, as well as licensing and technology review. The Commission background checks and licenses all race meet participants, including trainers, jockeys, owners, wranglers, and bet-takers. Staff inspectors investigate irregularities and safety issues, with the goal of ensuring the integrity of the sport, safeguarding the well-being of participants, animals and the public, and promoting horse racing in Oregon.

CSL Summary and Issues

Standard vacancy factors, personal services increases, price list adjustments, and a phase in to reflect biennial operating expenses were applied to achieve the ORC current service level.

Policy Issues

In early 2018, the Supreme Court struck down the Professional and Amateur Sports Protection Act (PASPA), a ban on sports betting; individual states can now regulate sports wagering. When sports betting was legalized in Australia, there was a simultaneous increase in horse racing wagers. The role ORC will play in sports betting remains to be seen but ORC has introduced a legislative concept that will allow hubs to offer sports betting products.

Other Significant Issues and Background

The Oregon Racing Commission is funded exclusively with Other Funds derived from the agency's take of live horseracing, simulcast wagering, and off-track betting sites; participant licensee fees; business licenses from companies that process pari-mutuel wagers, fines, unclaimed winnings; and historic racing wagers. The Commission receives one percent of bets made at live Oregon race meets and on simulcast events.

Demographic trends, competition from other gambling opportunities, and the potential for wagering companies to relocate their operations to other states could hasten the steady decline of horse racing in Oregon. Revenue from Multi-jurisdictional Simulcasting and Interactive Wagering Hubs largely support live racing at county fairs. Oregon faces competition from other states who wish to attract Hub businesses, and must provide a consistent regulatory structure, as well as a favorable business and Tax environment if these businesses are to remain in Oregon rather than relocating to other states. Ten hubs are currently licensed in Oregon, making Oregon the most leading state in the nation in the licensing of totalizator hubs.

The current service level revenue assumptions for the 2021-23 biennium project a total of \$8.8 million, \$1.7 million of which would be transferred to the General Fund. Live racing revenues are presumed to be more than either the 2017-19 actuals the 2019-21 legislatively approved budget. Whether additional revenue materializes may be dependent on whether fair and commercial race meets are open to the public. In 2020-21 simulcast revenue declined due to the change in the network operator. TMB Racing took immediate steps to rebuild the simulcast network by opening all previously closed simulcast sites. The Spring 2020 COVID-19 closures caused the network to go dark between March and July of 2020; however as of July 15, 2020, all sites have reopened.

The Governor's budget includes adjustments to state service charges, elimination of services and supplies inflation, and personal services adjustments that were applied across all agencies.