

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: SB 165 - MRA

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: May 28, 2021

Measure Description:

Directs a licensee that conducts pari-mutuel betting on historic horse races to make fixed annual payments, instead of a percentage allocation of the licensee's revenues from wagers, to specified horse racing organizations, including the Oregon Racing Commission.

Government Unit(s) Affected:

Oregon Racing Commission (ORC)

Summary of Fiscal Impact:

There are no anticipated costs associated with implementation of the measure - See explanatory analysis.

Analysis:

Senate Bill 165, as amended by the Minority Report-A version, is identical to the -A-engrossed version. The measure changes the revenue distribution from pari-mutuel betting on historic horse races from a percentage allocation to a fixed annual payment. The measure directs a licensee that conducts pari-mutuel betting on historic horse races to make fixed annual payments, instead of a percentage allocation of the licensee's revenues from wagers, to specified horse racing organizations, including the Oregon Racing Commission (ORC). Specifically, the measure directs a licensee to make an annual payment of \$200,000 to ORC; \$20,000 to a purse account to supplement purses of races consisting exclusively of Oregon bred horses; \$150,000 to the Oregon Thoroughbred Owners and Breeders Association, Incorporated for purse supplements; \$50,000 to the Oregon Quarter Horse Racing Association, Incorporated for purse supplements; and \$50,000 to a special track fund. The fixed amount annual payments apply to required payments beginning in 2022. In each subsequent year, the amounts will be increased by three percent (3%) from the amount due in the immediately preceding year. Subject to approval by ORC, the Oregon Thoroughbred Owners and Breeders Association, Incorporated, and the Oregon Quarter Horse Racing Association, Incorporated, may use a portion of the payment for operating expenses and other benefits for horsemen.

ORC would not incur any additional expenses to implement the measure, as it would only change how fees are paid to ORC and horse racing organizations. The measure's annual three percent cap increase is consistent with how ORC generates other revenue streams. The amount of revenue that the measure is anticipated to generate would support ORC operations and provide enough revenue to regulate historic horse racing activities, according to ORC. Currently, ORC is not receiving any revenue from historic horse races, due to the closure of Portland Meadows in 2019. Grants Pass Downs, which holds the only commercial horse racing license in the State of Oregon, is building a facility and intends to resume offering historic horse race wagering in 2021. Once historic horse race terminals are back in service, the revenue generated from these terminals would support ORC operations. Since ORC would use less hub fund revenues intended to support the operations of horse racing organizations, ORC would not need an increase in expenditure limitation.