

# OREGON RACING COMMISSION

Presentation to the House Committee on Gaming  
Regulations

THE OREGON RACING COMMISSION HAS BEEN  
DIRECTED BY OUR CURRENT GOVERNOR TO  
DO WHAT EVER WE CAN, WITHIN OUR  
AUTHORITY, TO END GREYHOUND WAGERING  
AND WE ARE TAKING STEPS TO DO THAT.

**New Governor – New Direction.**

## Assumptions in 2022

IN 2022, A BILL WAS PASSED AND AS PART OF THAT PROCESS THE OREGON RACING COMMISSION WAS GIVEN THE OPPORTUNITY TO SUBMIT A FISCAL IMPACT STATEMENT. OUR UNDERSTANDING OF THE LANGUAGE, THAT INCLUDES MYSELF, AND OUR EXECUTIVE DIRECTOR, WAS THAT THE BILL MADE IT LEGAL TO WAGER ON GREYHOUND RACES UNLESS IT WAS ILLEGAL IN THAT JURISDICTION.

THIS WAS STATED IN THE ORC ANALYSIS THAT WAS PROVIDED TO THE LEGISLATIVE FISCAL ANALYST.

THE THEN GOVERNOR'S OFFICE AGREED WITH OUR INTERPRETATION.

THE LEGISLATIVE FISCAL ANALYST ALSO AGREED WITH THIS.

OUR ASSIGNED ASSISTANT ATTORNEY GENERAL AGREED AS WELL.

IT IS LIKELY THIS BILL WOULD NOT HAVE PASSED IF THE ASSUMPTION WAS DIFFERENT, AND IF WE HAD PROVIDED A FISCAL IMPACT STATEMENT WITH THAT UNDERSTANDING.

I SAY THIS BECAUSE THE INITIAL BILL ENDED ALL GREYHOUND WAGERING BUT WAS A NON-STARTER DUE TO THE HUGE ECONOMIC IMPACT. THEN THE BILL WAS SUBSEQUENTIALLY AMENDED AND PASSED.

IN 2022 OREGON PASSED LEGISLATION PROHIBITING ONLINE WAGERING HUBS FROM PROCESSING DOG RACING BETS IF “**WAGERING** ON LIVE GREYHOUND RACING” IS UNLAWFUL IN THE JURISDICTION OF THE INDIVIDUALS PRINCIPAL RESIDENCE.

**QUESTION 1: OREGON WAS ONE OF THE STATES THAT PROHIBITED WAGERING ON LIVE GREYHOUND RACING.**

Oregon law prohibits live racing in the state (ORS 462.040(3) **but allows Oregonians to place a wager at an off-track betting site on greyhound races taking place outside the state (ORS 462.710(6)(b), (c)(A)) and to establish an account with a Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub licensee (ADW or online wagering HUBS) to wager on greyhound races occurring outside the state (ORS 462.725(7)) .**

# **QUESTION 1(A): WHAT ACTIONS HAS THE ORC TAKEN TO ENFORCE THIS PROHIBITION ON WAGERING ON LIVE GREYHOUND RACING?**

The Oregon Racing Commission routinely audits our licensees.

Audits include both on ground and remote testing.

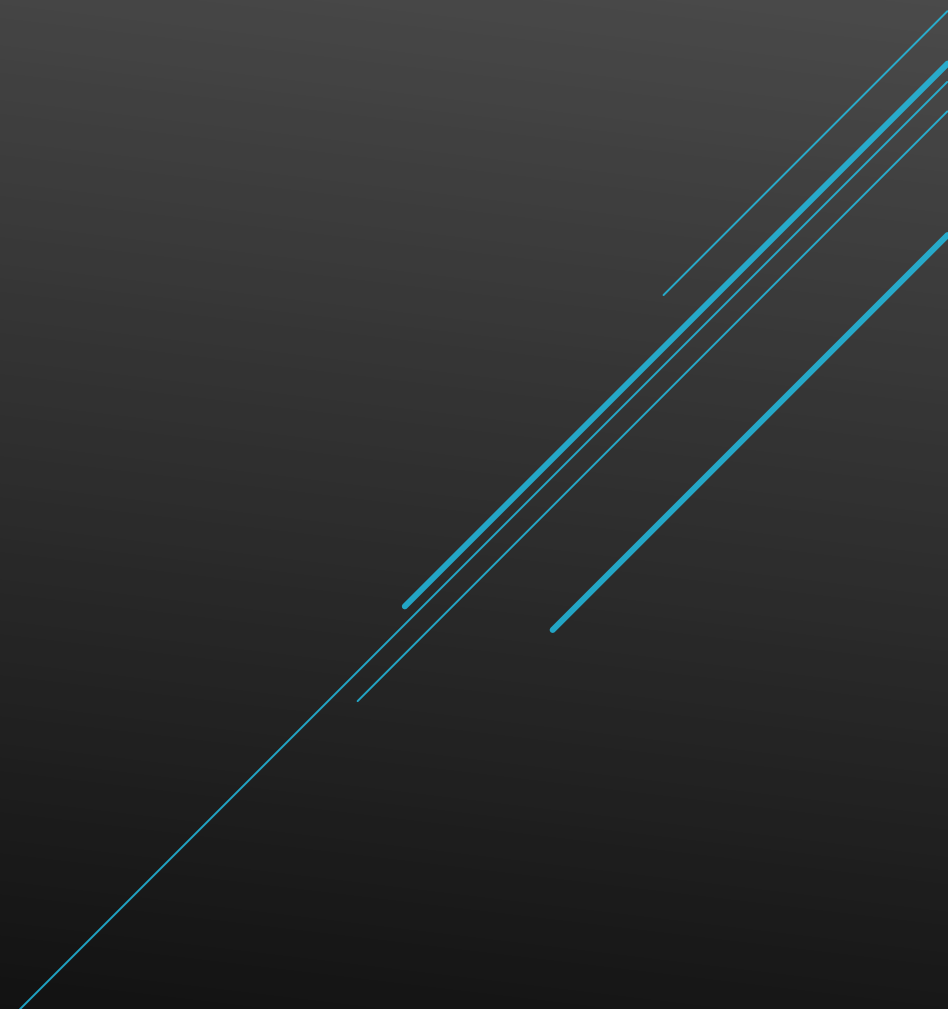
If enforcement is not obtained, ORC would take further action up to and including revoking the license.

We pull daily tote reports and take daily samples of those reports and compare these to individual accounts.

Throughout the year, ORC tests online wagering systems of our licensees by attempting to open accounts in various jurisdictions.

## **Additionally**

In late 2022/early 2023, ORC investigated concerns related to licensed HUB TwinSpires accepting wagering on greyhounds in Florida. ORC found no evidence of prohibited activity.



## **QUESTION 2(A): WHAT IS THE CURRENT BREAKDOWN FOR REVENUE GENERATED BY WAGERING ON GREYHOUND RACING VERSUS HORSE RACING?**

Based on 2023 data:

- **Online wagering in Oregon: Greyhound: \$4,559,609.90 Horses: \$20,899,357.26**
  - Greyhound wagering was 17.9%
- **Live Racing Oregon:** Grants Pass: \$25,636.00 Tillamook: \$157,387. Southern Oregon: \$284,212. Union: \$46,991. Prineville: \$296,682.
  - Greyhound racing was 0%
- **OTB's in Oregon:** Greyhound: \$3,051,692.00 Horses: \$ 10,571,661.00
  - Greyhound wagering was 22.4%
- **All wagering in and out of state: Greyhound: \$86,733,691.00 Horses: \$ 6,561,138,494.81**
  - **Total Percentage of Greyhound Wagers all sources: 1.3%**




**QUESTION 2 (B): CAN WE IDENTIFY WHICH HUBS ARE GENERATING THE REVENUE FROM GREYHOUND RACING AND ENSURE THAT REVENUE IS NOT COMING FROM GREYHOUND WAGERING IN STATES THAT IT IS UNLAWFUL TO WAGER ON GREYHOUND RACING?**

- ORC identifies which online licensed wagering hubs are accepting greyhound wagers.
- HUBS are required to notify ORC which states they are accepting wagering from in their plan of operation and request approval if changes are proposed.
- ORC routinely tests HUB's that are operating both legally and illegally in Oregon.

## **QUESTION 3: HOW MANY ONLINE WAGERING HUBS/ADW DOES OREGON CURRENTLY LICENSE?**

Eight (8)

*Note: Most ADW's have affiliates. An affiliate is a marketing partnership with another company. This is basically the wrapping paper or white label. For example, one affiliate is called DRF. Although the web page is different and branding is different, all transactions, oversight, accounting and security are processed through the licensed HUB. The licensed HUB is the owner of all accounts. There are currently Seventeen (17) affiliates.*

Several white lines of varying lengths and angles are positioned in the bottom right corner of the slide, creating a modern, abstract graphic element.

## QUESTION 4(A): WHO OWNS EACH OF THESE HUBS/ONLINE WAGERING COMPANIES AND WHERE ARE THEY LOCATED

**AmWest Entertainment**, Prospect, Kentucky: Owned by AmWest Entertainment

**TwinSpires**, Lexington, Kentucky: Owned by Churchill Downs Inc.

**eBet Technologies**, Mt. Laurel, New Jersey: Owned by BetMakers.

**Game Play Network**, Los Angeles, California: Owned by Game Play Network.

**NYRA Bets**, Queens New York: Owned by New York Racing Association (NYRA).

**TVG**, Los Angeles: Owned by FanDuel Group.

**Premier Turf Club**, Denver, Colorado: Owned by Fanatics.

**Xpressbet**, Washington, Pennsylvania: Owned by The Stronach Group.

## **QUESTION 4(B): BREAKDOWN OF WAGERS ON GREYHOUND VS HORSE RACING PER ONLINE LICENSEES**

**AmWest:** \$81,925,205.70 - Greyhound: \$3,766,190.00 - **Percent: 4.6%**

**eBet:** \$23,544,448.50 - **No Greyhound Wagering**

**Game Play Network:** \$23,544,448.50 - **No Greyhound Wagering**

**NYRA BETS:** \$325,612,646.05 - **No Greyhound Wagering**

**Premier Turf Club:** \$9,293,472.10 - **No Greyhound Wagering**

**TVG:** \$2,264,971,915.85 - **No Greyhound Wagering**

**Twin Spires:** \$2,615,252,533.45 - Greyhound: \$46,501,064.00 - **Percent: 1.78%**

**\*USOT:** \$5,648,863.30 – Greyhound: \$423,664.75 – **Percent: 7.5%**

**\*Xpressbet:** \$1,283,910,386.66 – Greyhound: \$36,466,437.00 - **Percent: 2.8%**

***\*No longer licensed with ORC***

***\*Does not take greyhound wagers in Oregon***

**QUESTION 5(A) & 7: HOW MANY OFF-TRACK BETTING LOCATIONS ARE THERE AND WHERE ARE THEY LOCATED?**

**ALEXANDER'S SPORTS LOUNGE**

1712 NE FAIRVIEW AVE  
FAIRVIEW, OR 97024  
503-665-3400

**PORTLAND MEADOWS**

8102 NE KILLINGSWORTH ST  
PORTLAND, OR 97218  
503-309-3087

**RIALTO**

529 SW 4TH AVE  
PORTLAND, OR 97204  
503-820-9000

**SPEAKEASY BAR & GRILL**

15680 SW UPPER BOONES FERRY RD  
LAKE OSWEGO, OR 97035  
503-684-0380

**LIMIT OF 20 TOTAL.**

**Stadiums**

16065 SE McLoughlin Blvd  
Oak Grove, OR 97267  
503-305-8410

**Tom's Bar**

3871 SE Division St  
Portland, OR 97202  
503-233-3739

**Capital Cantina**

1486 Hawthorne Ave NE  
Salem, OR 97301  
971-707-4916

**Emerald Lanes**

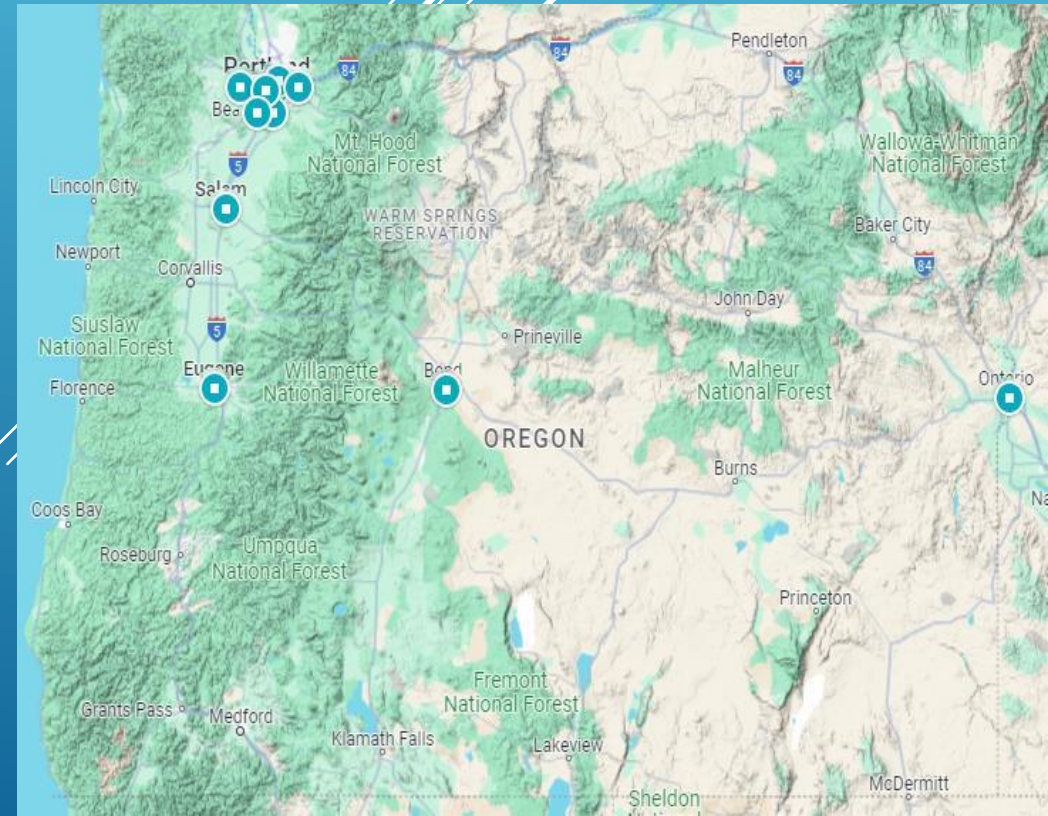
140 Oakway Road  
Eugene, OR 97401  
541-342-2611

**Lava Lanes**

1555 NE Forbes Rd  
Bend, OR 97701  
541-318-5656

**Action's Sports Bar and OTB**

490 East Lane, #10  
Ontario, OR 97914  
541-216-5081





## **Question 5(B): What is the breakdown per location as to the number of HHR machines they have verses video poker lottery?**

ORS 462.155 Wagering on races previously held. (1) The Oregon Racing Commission may allow a race meet operator that holds a Class A license to conduct mutuel wagering **at the licensee's racecourse** on horse races previously held if:

- (a) The races were actual events held at racecourses during race meets;
- (b) The races were subject to mutuel wagering at the time the races were originally held; and
- (c) The race meets at which the races were originally held were approved by the commission or by an equivalent regulatory body in another state.

WHAT IS THE NUMBER OF HHR MACHINES VS VIDEO LOTTERY AT EACH OFF-TRACK BETTING LOCATION?

**ZERO HHR/UP TO 6 VIDEO LOTTERY PER LOCATION.**

## **Question 6(A): What are the revenues generated by each OTB and what is the formula for distribution?**

### **Statutorily required distribution:**

- ▶ Oregon Racing Commission=1.0%
- ▶ Oregon bred horse purses = .1%
- ▶ Oregon Thoroughbred Owners and Breeders Association =1% of races on thoroughbred races for purse accounts.
- ▶ Oregon Quarter Horse Racing Association = 1% of races on quarter horse races for purse accounts.
- ▶ Oregon Horse Racing Benevolence Protection Association = 1% of races on Thoroughbred races for purse accounts.
- ▶ Commercial Track fund for maintenance = .2%
- ▶ Development and maintenance of a training track = .01%

### **Some of the expenses:**

Totalizator equipment, content agreements, maintenance, personnel, etc.

### **Question 6 Continued:**

Each OTB gets a portion of the revenue generated by the wagers at their location. This is a business deal negotiated between the commercial track and the business owner. The amounts below are on greyhound wagers only.

Out of the takeout, which is approximately 20% of the amount wagered, Each OTB gets a percentage. We estimate these to be approximately:

▶ Alexander's	\$24,000.
▶ Portland Meadows	\$40,000.
▶ Rialto	\$4,500.
▶ Speakeasy	\$9,000.
▶ Stadiums	\$2,500.
▶ Tom's Bar	\$13,000.
▶ Capital Cantina	\$8,000.
▶ Emerald Lanes	\$1,000.
▶ Lava Lanes	\$450.
▶ Action's Sports Bar and OTB	\$375.

Estimated based on 2023 calendar year



## Question 8(A): WHAT ARE THE CURRENT LICENCED RACE MEETS IN OREGON?

### **Commercial meet:**

- Horse Racing Association operates the commercial race meet in Grants Pass.

### **Fair Meets:**

- Southern Oregon Horse Racing Association, Grants Pass, Oregon.
- Tillamook County Fair.
- Eastern Oregon Livestock Show, Union Oregon.
- Crooked Roundup, Prineville Oregon.

## **Question 8(B): What is the financial level of support for each race meet license from ORC?**

### **Last biennium the financial support from ORC:**

- ▶ Southern Oregon Horse Racing Association:
  - ▶ \$815,600.
- ▶ Tillamook County Fair:
  - ▶ \$353,200.
- ▶ Eastern Oregon Livestock:
  - ▶ \$172,820.
- ▶ Crooked River Roundup:
  - ▶ \$338,200.
- ▶ Horse Racing Association – Grants Pass:
  - ▶ \$337,417.

**Regulatory expenses including staff, travel and equipment.**

Associations (this is used primarily for purse supplements):

- Oregon Thoroughbred Owners and Breeders Association
  - \$224,944.80
- Oregon Quarter Horse Racing Associations
  - 224,944.80
- Grants Pass Downs, HRA
  - \$337,417
- Oregon Horsemen's Benevolence and Protective Associations
  - \$337,417.

### Additional Fair Meet Expenses:

Jockey Incentive:	\$70,000.
Jockey Insurance:	\$240,840.
United Tote:	\$69,481.
Track Consultant:	\$10,000.

## **QUESTION 8(C): WHAT OTHER SUPPORT DO THE LICENSED RACE MEETS HAVE?**

### **► Southern Oregon Horse Racing Association (SOHRA):**

Last year SOHRA received a grant of \$3,500. for advertising.

\*Purse and breeder supplements provided by the three industry associations.

### **► Tillamook County Fair:**

\*Purse and breeder supplements provided by the three industry associations.

### **► Eastern Oregon Livestock:**

\*Purse and breeder supplements provided by the three industry associations.

Various sponsorships as available.

### **► Crooked River Roundup:**

\*Purse and breeder supplements provided by the three industry associations.

\$45,000 in local sponsorship, profits from the prior year handle, last year they added \$114,000. to the event including rent, stalls, and purses. profits beverage and liquor sales.

### **Horse Racing Association – Grants Pass:**

\*Purse and breeder supplements provided by the three industry associations.

Source market fees – this is an amount of the wagers from the Hubs by Oregon residence.

Profits from the Off-Track Betting locations.

*Note: Much of the funds*

*that come from the associations was provided by ORC through Hub funds. The Oregon Quarterhorse Racing Association did an auction last year to supplement their funds. The associations also get funds from association fees, the source market fees, the OTB's, and handle from the commercial track and fair meets.*

**Question 9: Explain why the fiscal impact statement for HB4051-3 issued February 13, 2024, stating ORC Projects other funds revenue loss equivalent to \$16,201.00 in the 2023-2025 biennium and \$64,804.00 in the 2025-2027 biennium.**

**The fiscal impact statement is correct. The total revenue lost to ORC is as stated.**

**The additional loss of revenue beyond what is paid to ORC is to the industry.**

- ▶ This includes a loss of approximately:
  - ▶ \$150,000.00 each biennium from the lost online wagers.
  - ▶ \$1,200,000.00 each biennium from the loss of OTB wagers.

*Note: The loss to the commercial track is \$750,000.00 per biennium. The remainder of the funds are divided up between the Off-Track Betting locations, the racing associations and expenses.*

*It is unlikely that the commercial meet could continue without these funds.*

**Question 10(A): Breakdown the revenue associated with horse racing in Oregon.**

- ▶ The American Horse Counsel is still analyzing the data to assess the most recent economic impact of racing in Oregon.
- ▶ Assessing an accurate answer to this question will require deeper research by the Oregon Racing Commission.
- ▶ Categories to consider include:
  - ▶ Direct and indirect impact of activities
  - ▶ Impact of each individual racehorse both in Oregon or visiting Oregon for racing
  - ▶ Facilities and staffing at each of the many properties across Oregon that are breeding, training and or stabling the horses.
  - ▶ Significant economic impact of the rural communities, restaurants, tack shops, stores etc. in each area.
  - ▶ Equipment bought including but by no means limited to tackle, safety. Track equipment like rock pickers, radar, dump trucks and so forth.
  - ▶ Staffing not just at the track but at the OTB's, call centers, operation centers, tote companies, data processing centers, associations, government services such as AMP, tote equipment, and so forth.
  - ▶ Impact to the local economies with the fair meets occur including stores, restaurants, hotels, etc.
  - ▶ Food and supplies/vet services for the equine athletes and the pony horses.
  - ▶ This is just a very small sample of the revenue that is generated from horse racing in Oregon.

## Question 10(B): Breakdown the costs associated with horse racing in Oregon.

- ▶ Liability insurance,
- ▶ Vehicle insurance,
- ▶ Jockey insurance
- ▶ Assurance bonds
- ▶ Staff benefits, salaries and insurance,
- ▶ Some positions include property management, weight and scales, staff for jockey room, shoe inspector, on site veterinarian, steward, racing secretary, management, track management team, starting gate team, accounting, mutuels team, cash room team, timer, stud manager, announcers and general helpers.
- ▶ Licensing fees.
- ▶ Track equipment and associated costs and maintenance.
- ▶ Track surface material.
- Security
- General maintenance stalls, barns, stands, etc.
- Safety equipment
- Emergency services (Ambulances) for equine and human athletes, horse people and patrons.
- Utilities.
- Office space for ORC Staff and track staff.
- Specialized equipment for race results such as stop wager, photo finish, announcers and so forth.
- Video and Audio
- Trueform
- Veterinarian test barn.
- Accounting
- Payroll
- Training
- Purses
- Advertising
- Marketing
- Promotions
- Programs and printing
- Totalizator equipment and staffing.
- Rent for the track
- Advertising and marketing
- Regulatory staff


**Note: To gather estimates would take a team of individuals and several months. Much of this data is not accessible to us.**

▶ **Question 11: How much support is generated from HHR generated at the track or OTB's?**

▶ **None.**

- ▶ **OTB's are not authorized to have HHR**
- ▶ **The commercial track was not able to get approval for HHR due to the most recent DOJ opinion.**
- ▶ **The lottery machines at the OTB's have nothing to do with horse racing and only benefit that business just like any other location that has the lottery machines.**



A close-up, low-angle shot of a horse's legs as it runs on a dirt track. The legs are dark brown and muscular, with white socks on the lower portions. The hooves are dark and rounded. The ground is a light brown dirt, and there is a significant amount of dust or dirt kicked up by the horse's movement, creating a hazy, golden-brown atmosphere. The background is blurred, showing more of the track and some indistinct shapes in the distance.

Question 12(A): If the the Oregon Racing Commission is phased out, what impact will this have on horse racing?

- ▶ Two scenarios:
  - ▶ Completely eliminating the Commission.
  - ▶ Moving the different components of the Commission to other agencies.



## Question 12(B) Elimination of the Commission without replacement.

- Unregulated online wagering in the state.
  - This will **eliminate approximately \$2,300,000. per biennium through the Source Market fee to the racing industry.**
  - This will also **eliminate approximately \$3,000,000. per biennium in HUB funds to the industry.**
  - This would also **eliminate approximately \$1,200,000. per biennium in OTB funds.**
  - This also would **eliminate approximately \$1,600,000. per biennium to the general fund.**
  - **This would allow greyhound wagering in state through all ADW's** as we would have no method of regulating them.
- **No mechanism to regulate racing at approved race meets** such as the fair meets.
- **Jobs in rural communities disappear**
- **Off Track betting locations financially impacted** – not just by the loss of money from wagering but more important, the loss of food and beverages.
- Furthermore, as ORC is the only jurisdiction that is providing regular oversight of the ADW's, this has a **national impact and will lead to the HUBS operating without appropriate oversight.**
- **Oregon becomes a “grey state” and anyone can operate here.**

# DEADLY HELL OF UNDERGROUND HORSERACING



## QUESTION 12(C) WHAT HAPPENS IF THE ORC IS REPLACED:

There are many ways this can be accomplished. All have different challenges. Here are some questions for you:

1. How will you staff this new agency?
  2. Will you move current staff to the new agency?
  3. Will you fold the Racing Commission into an existing agency?
  4. Will you split the agency apart?
    1. This would be extremely complicated due to the interaction and interdependencies between positions.
    2. This would also lead to inefficiencies as you would have to duplicate operations.
  5. Is the goal to get a clean slate? we have already replaced 60% of staff and 80% of commissioners in the last 18 months.
  6. Would the new structure still support the HUBS?
  7. How would this change be funded?
- 

► Horse racing is an important part of the equine industry in Oregon, as it supports the breeding, training, and care of horses, as well as the employment and income of many people involved in the sport.

► Horse racing also provides entertainment, recreation, and tourism opportunities for Oregonians and visitors alike.

► Oregonians have a responsibility to the welfare of these athletes, both human and equine.



**QUESTION 13: WHEN WE DISCUSS HORSE RACING THAT SEEMS TO BE THE TIP OF THE ICEBERG. WHAT FACTORS SHOULD WE CONSIDER REGARDING HORSE RACING AND THE HORSE INDUSTRY?**



**OTHER  
CLARIFICATIONS?**

