

Oregon Racing Commission

	2013-15 Actuals	2015-17 Leg. Approved*	2017-19 CSL LFO	2017-19 Governor's Recommended
Other Funds	5,146,512	6,276,229	6,443,325	6,416,751
Total Funds	\$5,146,512	\$6,276,229	\$ 6,443,325	\$ 6,416,751
Positions	15	14	14	14
FTE	13.27	12.27	12.27	12.27

*Includes Emergency Board and administrative actions through December, 2016.

Program Description

The Oregon Racing Commission regulates all aspects of the pari-mutuel industry in Oregon. The commission oversees horse racing at Portland Meadows Racetrack and at five county fair race sites. The Commission also regulates off-site simulcast races and Multi-jurisdictional Simulcasting and Interactive Wagering Totalizer Hubs. Regulatory activities include licensing, inspections, and investigations of irregularities, with the goal of ensuring the integrity of the sport, ensuring safety for the participants, animals and public, and promoting horse racing in Oregon.

CSL Summary and Issues

The Oregon Racing Commission is requesting no policy option packages for 2017-19. The Current Service Level includes inflationary adjustments per Department of Administrative Services budget instructions.

Policy Issues

Revenue from Multi-jurisdictional Simulcasting and Interactive Wagering Hubs largely support live racing at county fairs, and has contributed to efforts to publicize Oregon's only commercial race meet, at Portland Meadows. 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. Nine hubs are currently licensed in Oregon.

The racing commission has identified a need for additional investigatory hours during race meets. A long term vacant investigator position was eliminated in 2015, and an equivalent amount of expenditure limitation was transferred to Services and Supplies to address pending legal expenses. The legal question is now largely resolved. Whether there is a need for previous levels of investigatory work over the long-term is indeterminate, and for the 2016-17 racing season, the agency is utilizing temporary employees and contracted services.

Other Significant Issues and Current Discussions

The agency request budget anticipates an ending balance of \$579,683, equivalent to 2 months of operating expenditures, including special payments (the latter of which make up 45% of the agency's expenditures). The majority of the agency's licensing revenue comes in during the first quarter of each fiscal year, so cash flow issues are not anticipated. Revenue is anticipated to increase slightly in 2017-19 because effective in 2017, ORC instituted an automatic increase of 2% per year to the tax rate on hubs, with a capped maximum tax payment. In addition, a 2015 statutory change transferred a slightly smaller share of revenue to GF than in previous biennia (25% vs 33% in prior years).