

SB 76 STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

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Meeting Dates: 2/5

WHAT THE MEASURE DOES:

Declares horse racing industry economically important to the state. Defines exchange wagering as pari-mutuel wager in which two or more persons place identically opposing wagers in a given market. Authorizes exchange wagering by licensee through exchange wagering system. Requires exchange wagering to comply with federal Interstate Horseracing Act of 1978. Requires individuals opening exchange wager account be at least 18 years old and resident of a state where exchange wagers are legal. Authorizes Oregon Racing Commission (ORC) to issue exchange wagering license to applicants that meet specified requirements. Prohibits licensee from accepting wagers from exchange wager account holder that create liability in excess of moneys in account holder's account. Allows licensee, with approval of ORC, to collect exchange revenues including surcharge on net winnings. Establishes standards for the placement and cancellation of wagers. Allows licensee to post wagers on interstate exchange pool. Allows ORC to assess specified fees against licensee. Prohibits ORC from requiring licensee to retain, withhold, or take out any amount from exchange wagers or assure any minimum payoff amount for an exchange wager or to calculate payoffs of winning exchange wagers. Allows ORC to adopt rules regulating exchange wagering in this state. Operative January 1, 2020. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

“Pari-mutuel” wagers are bets made on the outcome of a race. The bets go into a pool managed by an operator who has no stake in the outcome of the race. The operator deducts a set percentage from the pool and distributes the remainder to the winning patrons. The Oregon Racing Commission (ORC) regulates all aspects of the pari-mutuel industry in Oregon.

Senate Bill 76 allows parties licensed by the ORC to conduct exchange wagering, a pari-mutuel wager in which two or more persons place identically opposing wagers in a given market. A person that holds an exchange wagering license from the ORC can receive wagers from account holders and post the wagers to a market to be matched with an identically opposing wager. Exchange wagers can be placed remotely, allowing adult participants to create accounts and place wagers from any state, district, or territory where exchange wagering is legal. Licensees receive revenues for hosting wagers as approved by the ORC and pay fees to the ORC based on their activity.