

SB 854 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

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Meeting Dates: 3/10, 3/17

WHAT THE MEASURE DOES:

The measure authorizes the Oregon Racing Commission to impose civil penalties for holding a race meet without a license or accepting or facilitating wagers on animal racing without a license. The measure requires the civil penalty process to comport with applicable sections of the Oregon Administrative Procedures Act, specifies four factors that the Commission must consider at a minimum, and sets a maximum penalty of \$25,000. It directs recovered penalties to be deposited in the General Fund to the credit of the Oregon Racing Commission Account.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: No revenue impact.

ISSUES DISCUSSED:

- Wagering amounts, commissions or taxes, and revenue allocations
- ORC revenue goes to support horse racing events, except 25 percent goes to the General Fund
- Examples of North Dakota companies' refusal to cease unlicensed wagering activities in Oregon
- Deterrent effect of higher potential penalty
- 2023 Oregon Secretary of State Audit and recommendations
- Oregon's hub function for transactions happening out of state, and revenue therefrom

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Racing Commission (ORC) regulates all aspects of the equine racing industry in Oregon, including the licensing of participants (jockeys, trainers, and owners) in live race meets, subscriber-based multi-jurisdictional simulcasting, and interactive wagering hubs registered and doing business in Oregon. The ORC has authority to investigate violations, deny, revoke or suspend licenses, and impose civil penalties for licensees' violations of racing and wagering laws and rules. However, it has no authority to issue civil penalties against companies engaging in illegal wagering without a license. Some online wagering companies are operating illegally in Oregon, but no civil mechanism currently exists to enforce the licensure requirement.