

HB 3101 -4 STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

Prepared By: Mary Mackie, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/5, 3/31

WHAT THE MEASURE DOES:

The measure provides funding for a county fairground capital construction master plan and establishes and appropriates funding to the Horse Racing Account. It declares an emergency and is effective on passage.

Detailed Summary:

Adjusts the allocation to the County Fair Account from one percent to eight-tenths of one percent of net proceeds from the Oregon State Lottery. Allocates the remaining two-tenths of one percent to the Horse Racing Account. Removes the annual limit of \$1.53 million from the amount allocated to the County Fair Account.

Appropriates \$250,000 from the General Fund for Oregon Business Development Department (OBDD) to develop a county fairground capital construction master plan. Requires five and ten-year plans for each county fairground in the state, and any findings or recommendations regarding county fairground capital construction. Directs OBDD to retain a consultant to help develop the master plan. The consultant will work with each county fair board, each fair association's board of directors, each fair district's board to identify capital construction needs. Directs the department to additionally consult with the Oregon Racing Commission. Planning requirements sunset on July 1, 2027.

Establishes the Horse Racing Account. Appropriates all money in the account to the Oregon Racing Commission to support horse racing events at fairgrounds in Crook, Josephine, Tillamook, and Union counties. Uses may include maintaining horse racing tracks, advertising or promoting events, establishing incentives to increase participation or attendance, purchasing equipment, building or maintaining infrastructure, and addressing illegal horse racing.

Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Horse racing participation and attendance

EFFECT OF AMENDMENT:

-4 The amendment restores the cap on funding to the County Fair Account removed by the measure, allows the Horse Racing Account to retain interest, and updates language on the use of money in the Horse Racing Account.

Detailed Summary:

Restores the \$1.53 million limit on the amount allocated to the County Fair Account. Adds horse racing events as an acceptable use for lottery funds based on economic development impact in areas where fairgrounds are located. Specifies that interest earned by the Horse Racing Account is credited to the account.

Updates the language on use of money in the Horse Racing Account:

- Adds funding for veterinarians and medical professionals
- Expands on the use of establishing incentives to "supporting purse money and jockey incentives to attract better horses and athletes"

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- Specifies that money should be used to purchase safety equipment
 - Removes staffing and administration from the list of operating expenses
 - Removes advertising and promoting events
 - Removes addressing illegal or unsanctioned horse racing
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- *FISCAL: May have fiscal impact, but no statement issued yet.*
 - *REVENUE: Revenue impact issued.*

BACKGROUND:

The County Fair Account was established in 1969 and provides funding for county fairgrounds located throughout the state. Oregon Business Development Department (OBDD) has provided grants for capital improvement projects to county fairground facilities in past legislative sessions, including \$10 million in lottery bond funding between 2019 and 2021. Horse racing has been an activity at fairs in Oregon since the 1800s, with different variations taking place over the years. Established in 1933, the Oregon Racing Commission regulates the pari-mutuel industry in the state, which include horse racing and wagering.

Currently, the County Fair Account is allocated one percent of net proceeds from the Oregon State Lottery, not to exceed \$1.53 million annually. House Bill 3101 removes this annual limit. It changes the allocation to the County Fair Account to eight-tenths of one percent. It establishes the Horse Racing Account and allocates the remaining two-tenths of one percent to the Horse Racing Account. The measure also appropriates \$250,000 from the General Fund for OBDD to develop a county fairground capital construction master plan. The -4 amendment restores the cap on funding to the County Fair Account removed by the measure, allows the Horse Racing Account to retain interest, and updates language on the use of money in the Horse Racing Account.