



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to events that involve livestock; declaring an emergency.

Government Unit(s) Affected: Oregon Lottery Commission, Department of Administrative Services, Oregon Racing Commission, Counties

Summary of Fiscal Impact

Costs related to the measure may require budgetary action - see analysis.

Measure Description

The measure reduces the amount of net lottery proceeds allocated from the Administrative Services Economic Development Fund (EDF) to the County Fair Account from 1% to eight-tenths of 1% (0.008%), not to exceed \$1.53 million annually, adjusted for inflation; and creates a new allocation of net lottery proceeds equal to two-tenths of 1% (0.002%) from the EDF to the Horse Racing Account. The measure establishes the Horse Racing Account, which is continuously appropriated to the Oregon Racing Commission to support horse racing events held at specified venues, including fairgrounds in Crook County, Josephine County, Tillamook County, and Union County, as well as to maintain horse racing tracks, support purses and jockey incentives, provide veterinary and medical services at tracks, purchase safety equipment, operate horse racing events, and build infrastructure.

Fiscal Analysis

The Department of Administrative Services distributes the EDF in adherence with constitutional and statutory funding priorities, as well as specific legislative allocations. The Oregon Constitution includes dedicated transfers to the Education Stability Fund (18%), Parks and Natural Resources Fund (15%), and Veterans' Services Fund (1.5%). Statutory dedications include outdoor school education programs (4%, up to a maximum of \$5.5 million per quarter adjusted for inflation), county economic development programs (2.5% of net video lottery receipts), gambling addiction treatment programs (1%), public university sports programs and academic scholarships (1%), and the county fair programs (1%, up to a maximum of \$1.53 million annually, adjusted for inflation). Net proceeds from sports betting games are dedicated to match qualifying employer payments to the Public Employees Retirement System Employer Incentive Fund.

There is no fiscal impact for the Department of Administrative Services or Oregon Lottery Commission regarding the implementation of this measure. However, the measure changes the state's current lottery revenue allocation and budgeting process. Allocations of net lottery revenues for statutory percentage transfers and legislative dedications from the EDF are approved as fixed amounts each session in a lottery allocation bill. DAS may only distribute amounts from the EDF that are approved by the Legislature. The Legislative Assembly approved a fixed dollar amount of \$3,828,000 for county fair programs during the 2023-25 biennium.

The measure has an indeterminate impact on counties. The current allocation of lottery revenues to counties for county fair programs is reduced, and the new allocation would only be distributed to county fairs with horse racing.

In addition, the measure provides revenue in the form of Lottery Funds to the Oregon Racing Commission (ORC) to support the horse racing events in Crook, Josephine, Tillamook, and Union counties. There is a minimal fiscal

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impact to the ORC to distribute these funds to counties as necessary.

Relevant Dates

The measure declares an emergency and takes effect on passage.