



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2026 Regular Session

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Bill Title: Relating to horse racing.

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

Summary of Fiscal Impact:

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

Measure Description

The measure creates a new allocation of net lottery proceeds equal to three-tenths of 1% (0.3%) from the Administrative Services Economic Development Fund (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 (DAS) or Oregon Lottery Commission regarding the implementation of this measure. However, the measure changes the state's current lottery revenue allocations. Allocations of net lottery revenues for statutory percentage transfers and legislative dedications from the EDF are typically approved as fixed amounts each session in a lottery allocation bill. Establishment of a new allocation to the Horse Racing Account reduces the amount of net lottery revenues available in the subsequent biennium for other purposes. Based on the DAS Office of Economic Analysis March 2026 forecast of lottery revenues, an allocation of 0.3% would equal approximately \$5.7 million in the 2027-29 biennium.

The measure provides revenue in the form of Lottery Funds to the Oregon Racing Commission to support the horse racing events in Crook, Josephine, Tillamook, and Union counties. There is a minimal fiscal impact to the Oregon Racing Commission to distribute these funds to counties as necessary.

Relevant Dates

The measure takes effect on January 1, 2027.

The annual EDF allocation of lottery revenues to the Horse Racing Account begins on July 1, 2027.