

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 738** HLS 20RS 1243

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 21, 2020 7:14 AM	Author: MILLER, D.
Dept./Agy.: Racing Commission	Analyst: Monique Appeaning
Subject: Horse Racing Revenue Allocation	

RACING/HORSE

RE NO IMPACT SD EX See Note

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Provides relative to horse racing

Proposed law amends and reenacts specific parts of present law relative to horse racing. Proposed law provides for monies earned for purse supplements from video draw poker device revenues, distribution of video draw poker device revenues at licensed eligible facilities, and purse supplements for quarter horse and thoroughbred races. Proposed law provides that net video draw poker device revenues shall be disbursed and used as follows: 12.5% used to supplement purses for quarter horse races at licensed eligible facilities as authorized by present law not to exceed one million per state fiscal year, 25% each state fiscal year to satisfy the class judgment in the case of John L. Soileau, et al. versus Churchill Downs Louisiana Horseracing Company, LLC, Churchill Down Louisiana Video Poker Company, LLC and the remainder (62.5%) of the net video draw poker device revenues shall be allocated to thoroughbred horse races at licensed eligible facilities as authorized by present law per state fiscal year.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law gives the Racing Commission, with agreement of the Horsemen's Benevolent and Protective Association and involved licensed eligible facilities, the discretion to approve or not approve the transfer of slot machine proceeds received for quarter horse purses from one licensed eligible facility to another licensed eligible facility to supplement quarter horse purses at a quarter horse race meet. The Racing Commission would, at its discretion, approve or not approve any purse fund transfer at its public meetings, but this action would not add cost to the Racing Commission. The Racing Commission will not need additional personnel as a result of the proposed law as it already performs this approval function for thoroughbred purse funds at scheduled public meetings. Proposed law changes how much of the purse supplement from video draw poker funds is allocated to quarter horse race purses and thoroughbred race purses for licensed eligible racing facilities required by law to run 20 quarter horse racing days. This will not create more cost or work for the Racing Commission, which already has staff and an implemented system to help facilitate the distribution of purse supplements.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law allows for the transfer of slot machine proceeds received for quarter horse purses from one licensed eligible facility to another licensed eligible facility to supplement quarter horse purses at a quarter horse race meet with the Racing Commission's approval, and upon agreement of the Horsemen's Benevolent and Protective Association and involved licensed eligible facilities. Any of these purse supplement transfers would not create an anticipated change in revenue because it would only affect the amount of money that race winners would receive, though the receiving licensed eligible facilities would use purse supplement transfers as an attempt to attract more horsemen to participate in their races with enhanced purses. Proposed law changes how much of the purse supplement from video draw poker funds would be allocated to quarter horse race purses and thoroughbred race purses for licensed eligible racing facilities required by law to run 20 quarter horse racing days. The allocation of video poker draw funds for purse supplements would not create an anticipated change in revenue because it would only affect the amount of money that race winners would receive.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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