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FISCAL IMPACT REPORT

ORIGINAL DATE 1-26-09

SPONSOR Sandoval LAST UPDATED _____ HB 204

SHORT TITLE Extend Horse Racing Act to 2015 SB _____

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Gaming Control Board (GCB)
 State Racing Commission (SRC)
 Attorney General's Office (AGO)
 State Fair Commission (SFC)

SUMMARY

Synopsis of Bill

HB 204 extends the upcoming sunset of the State Racing Commission for 4 additional years from 2011 to 2015.

FISCAL IMPLICATIONS

The pari-mutual tax would be automatically repealed. The State Fair Commission receives revenue from the pari-mutuel tax. In 2004 it issued bonds and dedicates its pari-mutuel tax revenue to repayment of the bonds. Extending the life of the State Racing Commission and the Horse Racing Act until 2015 would allow the State Fair Commission repay the bonds without an interruption to its revenue stream.

SIGNIFICANT ISSUES

The State Fair Commission's revenue stream to service its 2004 bond obligations needs to be extended through the life of its debt obligations. The revenue stream is tied to the laws in the Horse Racing Act. If the revenue for the bonds ends in 2012, SRC will fail to meet its debt obligation.

The purpose of the Racing Commission is to provide regulation to pari-mutuel horse racing and to protect the interest of wagering patrons. If this bill is passed the Racing Commission can continue to serve this purpose

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There would not be an entity to provide regulation to pari-mutuel horse racing and to protect the interest of wagering patrons. It could also result in a disruption of payment of the bonds because pari-mutuel taxes would cease.

EO/mc