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FISCAL IMPACT STATEMENT

LS 6069

BILL NUMBER: SB 24

NOTE PREPARED: Jan 18, 2006

BILL AMENDED: Jan 17, 2006

SUBJECT: Televised Simulcasts.

FIRST AUTHOR: Sen. Jackman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill restricts permit holders from broadcasting races conducted in other states unless the out-of-state simulcast racing program is available to all Indiana permit holders and their satellite facilities.

Effective Date: Upon Passage.

Explanation of State Expenditures:

Explanation of State Revenues: The bill would prohibit out-of-state racing programs from being simulcast to one parimutuel permit holder unless the simulcast racing program is available to the other permit holder. Currently, simulcasts of thoroughbred races from Kentucky racetracks are not permitted to the OTBs in Clarksville and Evansville, both of which are owned by Indiana Downs. If the elimination of Kentucky races from simulcast programs at the remaining parimutuel facilities impacts patronage and reduces the amount wagered, the bill could reduce revenue from the Parimutuel Wagering Tax and Parimutuel Satellite Facility Tax, as well as from breakage and outs tickets.

Background: The Parimutuel Wagering Tax is 2% of the total amount wagered on live and simulcast races at a horse racetrack, and 2.5% of the total amount wagered on simulcast races at an OTB. The first \$150,000 revenue from the Wagering Tax is distributed to the Veterinary School Research Account, with the remainder distributed to the Build Indiana Fund. Wagering Tax revenue totaled \$4.5 M in FY 2005. The Parimutuel Satellite Facility Tax is 0.5% of the total amount wagered on simulcasts at an OTB. Revenue from the tax is distributed to the Livestock Industry Promotion and Development Fund (50%) and to the State Fair

Commission (50%). Revenue from the tax totaled almost \$676,000 in FY 2005. Breakage is the remaining odd cents from rounding down to the nearest ten cents on winning tickets, and outs tickets are winnings which are not cashed. Revenue from breakage and outs tickets is distributed to the Breed Development Funds and totaled about \$1.9 M in FY 2005.

Under the Interstate Horseracing Act, the Kentucky Thoroughbred Association withheld its consent for the simulcasts to the Clarksville and Evansville OTBs from Kentucky racetracks (Churchill Downs, Ellis Park, Keeneland, and Turfway Park). Kentucky races are still simulcast to the remaining parimutuel wagering facilities in Indiana (Indiana Downs, Hoosier Park, and OTBs in Ft. Wayne, Indianapolis, and Merrillville that are owned by Hoosier Park). Indiana Downs has requested that the Indiana Horse Racing Commission (IHRC) withdraw its consent under the Interstate Horseracing Act to allow simulcasts of Kentucky races to Indiana facilities. To date, the IHRC has not done so.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Horse Racing Commission.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869.