



Legislative
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FINAL FISCAL NOTE

Drafting Number:	LLS 18-0877	Date:	September 7, 2018
Prime Sponsors:	Sen. Coram; Guzman Rep. Catlin; Arndt	Bill Status:	Signed into Law
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Bill Topic: SOURCE MARKET FEE ALLOCATION TO HORSE PURSE FUND

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue <i>(potential)</i>	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure <i>(potential)</i>	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates a new supplemental fund to be used at the discretion of the Racing Division director to maintain a competitive purse structure for pari-mutuel wagering. It may increase state revenue and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

This bill authorizes the director of the Racing Division in the Department of Revenue to allocate a portion of the source market fee to be deposited into any horse purse trust account established in current law if he or she determines that such an allocation is necessary to maintain a sufficient and competitive purse structure. The money credited to a horse purse trust account from the source market fee is to be paid as authorized by the director of the Racing Division as purses for races held at live race meets in Colorado or as otherwise directed by the Colorado Racing Commission.

Background

In Colorado, pari-mutuel horse race wagering is permitted to take place at off-track betting facilities where a horse race is live broadcast (simulcast). Pari-mutuel wagering divides winnings among the pool of competitors who finished in the first three places of the horse race. Since House Bill 10-1134 was enacted into law, the Racing Division in the Department of Revenue has collected a source market fee on persons outside of Colorado who conduct pari-mutuel wagering on simulcast races and who accept wagers from Colorado residents at out-of-state simulcast facilities. Horse purse trust accounts are subject to TABOR.

State Revenue and Expenditures

To the extent the Racing Division raises the source market fee to fund any horse purse trust account, state revenue and expenditures will increase. Workload related to this process can be accomplished within existing appropriations of the Department of Revenue and the Department of Law.

TABOR Refund

The bill may increase state revenue from fees, which may increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Since the bill may increase the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount. State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

Effective Date

The bill was signed into law by the Governor on April 12, 2018, and took effect August 8, 2018.

State and Local Government Contacts

Law

Personnel and Administration

Revenue