

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 100** HLS 13RS 446

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 26, 2013	1:49 PM	<b>Author:</b> HARRISON
<b>Dept./Agy.:</b>		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Horse Racing Funding		

GAMBLING/REVENUES OR +\$5,500,000 SD EX See Note Page 1 of 1  
Provides with respect to gaming proceeds payable to the horse racing industry

Proposed law creates the Horse Industry Economic Sustainability Fund to receive various revenues that currently flow directly to the Horsemen's Benevolent and Protective Assn (HPBA), the La. Thoroughbred Breeders Assn (TBA), and the La. Quarter Horse Breeders Assn (QBA). Once received by the new Fund, these monies are to be appropriated annually in the same amounts and for the same purposes as the current revenue flows. These funds would be subject to the state laws and regulations applicable to state expenditures, and would be subject to audit by the legislative auditor.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	<b>\$27,500,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$27,500,000</b>

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	<b>\$27,500,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$27,500,000</b>

**EXPENDITURE EXPLANATION**

The bill specifies that monies received by the newly created Horse Industry Economic Sustainability Fund shall be appropriated to the same horsemen's associations (HPBA, TBA, and QBA), in the same amounts and for the same purposes as the current law flows of revenue. Based on research compiled by the Legislative Auditor's Office for FY12 and FY11, the approximate amounts brought on-budget by the bill and to be appropriated from the newly created Horse Industry Economic Sustainability Fund total some \$5.5 million. This represents new statutory dedication expenditure to the state budget as depicted in the table above. In addition, these funds would be subject to the state laws and regulations applicable to state expenditures, and would be subject to audit by the legislative auditor.


In addition, the bill redirects an existing dedication of general video poker revenue to the new fund created by this bill. These monies are already an on-budget dedication appropriated to the La. Racing Commission for horse racing purse supplements (via the Video Draw Poker Device Purse Supplement Fund), and total approximately \$3.3 million per year. These monies are already being appropriated via a statutory dedication and are not included in the total in the table above.

**REVENUE EXPLANATION**

The bill effectively brings into the state operating budget monies generated by wagers on horse racing, as well as from slot machine gaming and video poker gaming at live racing and OTB facilities. These monies are currently distributed to the three horsemen associations (HPBA, TBA, and QBA) via state law, but without flowing through the state treasury and the appropriations process. Based on research compiled by the Legislative Auditor's Office for FY12 and FY11, the approximate amounts brought on-budget by the bill and directed to the Horse Industry Economic Sustainability Fund total some \$5.5 million. This represents new statutory dedication revenue to the state budget as depicted in the table above.

In addition, the bill redirects an existing dedication of general video poker revenue to the new fund created by this bill. These monies are already an on-budget dedication to horse racing purse supplements (via the Video Draw Poker Device Purse Supplement Fund), and total approximately \$3.3 million per year. These monies are simply being shifted between statutory dedications and are not included in the total in the table above.

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|---|----------------------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u>   |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}                        |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

  
**John D. Carpenter**  
**Legislative Fiscal Officer**