

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0654

**Date:** February 20, 2013

**Prime Sponsor(s):** Sen. Tochtrop  
Rep. Williams

**Bill Status:** Senate Finance

**Fiscal Analyst:** Alex Schatz (303-866-4375)

**TITLE:** CONCERNING THE AUTHORITY TO CONTINUE TO SIMULCAST GREYHOUND RACES AFTER JUNE 30, 2014.

| <b>Fiscal Impact Summary</b>   | <b>FY 2013-2014</b> | <b>FY 2014-2015</b> |
|--|---------------------|---------------------|
| <b>State Revenue</b><br>General Fund   |                     | at least \$230,000  |
| <b>State Diversions</b><br>Diversion from CSU racing-related equine research to the Greyhound purse trust fund                             |                     | \$70,000            |
| <b>State Expenditures</b><br>Cash Funds<br>Colorado Greyhound Purse, Welfare, Adoption, and Racing Promotion Fund                          |                     | up to \$70,000      |
| <b>FTE Position Change</b>   |                     |                     |
| <b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed. |                     |                     |
| <b>Appropriation Summary for FY 2013-2014:</b> None required.  |                     |                     |
| <b>Local Government Impact:</b> None.  |                     |                     |

**Summary of Legislation**

Under current law, when there is no live greyhound race at a Colorado licensed greyhound track, a class B horse track, licensed by the Division of Racing Events in the Colorado Department of Revenue (CDOR), is authorized to simulcast greyhound races and conduct parimutuel wagering on those races. The statutory authority for such simulcasts and associated parimutuel wagering expires after June 30, 2014. The bill repeals this expiration date and extends the authority for such simulcasts indefinitely.

**Background**

The statutory authority for simulcasting greyhound races at a class B horse track was initially established by Senate Bill 09-174, which at the same time established the June 30, 2014, sunset date. Pursuant to SB 09-174, the Division of Racing Events issued a series of reports concerning the status of parimutuel racing in Colorado. The most recent report, released in January 2012, details various economic and statutory changes that have led to simulcasting at licensed parimutuel facilities as a

supplement to live racing events. Historically, simulcasting is restricted in favor of live racing events. However, controls on simulcasting have been relaxed as the number of tracks supporting live racing events has declined. Colorado's last greyhound track closed in June 2008.

Taxes and fines from parimutuel wagering are deposited directly in the General Fund. Expenditures in the Division of Racing Events are cash funded through track licensing and other fees and do not involve tax revenue from parimutuel wagering.

For greyhound simulcasts at class B horse tracks, SB 09-174 directed that certain fees otherwise assessed to Colorado State University (CSU) for funding racing-related equine research are deposited in a trust fund for either greyhound race purses or, in the absence of live greyhound races, to organizations that promote the welfare of racing greyhounds. Approximately \$5,850 is deposited in the greyhound purse trust fund each month, but without greyhound purses to award the Colorado Racing Commission awarded \$151,283 from the Colorado Greyhound Purse, Welfare, Adoption, and Racing Promotion Fund between November 2009 and January 2012 to organizations that promote greyhound welfare.

### **State Revenue**

**The bill maintains state revenue from taxes and fees on parimutuel racing in FY 2014-15 and subsequent fiscal years.** Based on average taxes collected annually from parimutuel wagering on simulcast greyhound races since the enactment of SB 09-174, the bill results in at least \$230,000 General Fund revenue each future fiscal year.

### **State Diversions**

**Continuing in FY 2014-15 under the bill, the diversion to the greyhound purse trust fund of moneys otherwise paid to the school of veterinary medicine at CSU totals an estimated \$70,000 each fiscal year.** The bill results in continued dedication of one-quarter of one percent of the gross receipts of parimutuel wagering (other than bets to win, place, or show) at greyhound simulcast events to the greyhound purse trust fund.

### **State Expenditures**

**Based on current levels of funding, it is estimated that the Colorado Racing Commission will expend up to \$70,000 cash funds for greyhound-related grants in FY 2014-15 and each subsequent fiscal year.** Assuming that live greyhound racing does not recommence in Colorado, the bill results in the greyhound purse trust fund's continued availability for greyhound adoption and other greyhound welfare activities, through grants dispersed from the Colorado Greyhound Purse, Welfare, Adoption, and Racing Promotion Fund.

### **Departments Contacted**

Revenue  
Law

Local Affairs  
Counties

Municipalities  
Public Safety