



Phil Mullin

Bill Analysis
Legislative Service Commission

H.B. 118

127th General Assembly
(As Introduced)

Reps. Seitz, Blessing, J. McGregor, Uecker, Schneider, Driehaus, D. Stewart, Chandler, Domenick, Adams, Otterman, Yuko, Combs, Skindell, Webster, Brinkman, Distel, Book

BILL SUMMARY

- Authorizes live horse racing permit holders to conduct pari-mutual wagering at their place, track, or enclosure on horse races that are telecast via an instant racing system.
- Levies a tax on amounts wagered via an instant racing system.
- Provides for the distribution of revenue retained by permit holders from amounts wagered via an instant racing system.

CONTENT AND OPERATION

Instant racing system

The bill requires the State Racing Commission, upon the written request of a horse racing permit holder, to authorize the permit holder to operate on racing days at the place, track, or enclosure where the permit holder conducts horse racing an "instant racing system."¹ Such a system allows pari-mutuel wagering on audio and visual signals of horse races previously conducted at facilities inside or outside Ohio that are telecast to the permit holder's place, track, or enclosure and are displayed on individual viewing terminals installed and operated by the permit holder. The permit holder must design and operate the system so that no person is able to fast-forward the last ten seconds of a horse race. (R.C. 3769.0811(A) and (B) and 3769.0812(A) and (B).) Pari-mutuel wagering via an instant racing

¹ A "permit holder" means a corporation, trust, partnership, limited partnership, association, person, or group of persons issued a permit under the Horse Racing Act to conduct a horse racing meeting, other than the holder of a permit issued for a horse racing meeting at a county fair or an independent fair (R.C. 3769.25(C))--not in the bill).

system is not subject to the law governing pari-mutuel wagering at satellite facilities via simulcast (R.C. 3769.08(A)).

Distribution of revenue

The bill requires moneys wagered on a racing day via an instant racing system to be separated from the moneys wagered on live horse racing conducted at, and on other horse races simulcast to, the permit holder's place, track, or enclosure on that racing day. From the moneys wagered via an instant racing system on a racing day, the permit holder must retain a permit holder's commission, which is an amount that does not exceed 12% of the total of those moneys. In turn, at the close of each racing day, the permit holder must pay to the Tax Commissioner by check, draft, or money order a tax in an amount equal to 20% of the permit holder's commission. Moneys wagered via an instant racing system are subject to only this tax and not to any other tax levied on wagering on live horse racing and simulcast horse racing at the permit holder's place, track, or enclosure. A permit holder who fails to pay the tax is subject to being assessed by the Tax Commissioner for the unpaid tax. (R.C. 3769.08(A), 3769.088, 3769.0811(C), and 3769.0813(A) and (B).)

After payment of the tax from the permit holder's commission, the remaining amount of the commission--i.e., the permit holder's net commission--is to be allocated as follows (R.C. 3769.03, 3769.083(B), 3769.085(A), and 3769.0813(C)):

- (1) The permit holder must pay 19% of the net commission to the permit holder's purse account. This 19% is to be distributed as follows:
 - The Ohio Division of the Horsemen's Benevolent and Protective Association may direct that up to 50% of that money be designated for either horsemen's health and benevolence programs or payment into the Ohio Thoroughbred Race Fund.
 - The Ohio Harness Horsemen's Association may direct that up to 50% of that money be designated for horsemen's health and benevolence programs, payment into the Ohio Standardbred Development Fund, or payment into the Ohio Fairs Fund.
- (2) The permit holder must pay an amount not to exceed 1% of the net commission, as determined by rule of the State Racing Commission, into the State Racing Commission Operating Fund as an administrative fee.

- (3) The permit holder must retain the balance of the net commission remaining after paying the foregoing amounts.

The bill requires the State Racing Commission to deny a horse racing permit to any permit holder that has defaulted in any of the required payments outlined above as well as to any successor purchaser of the place, track, or enclosure for as long as the default is not satisfied by either the permit holder or seller or the successor purchaser (R.C. 3769.03).

HISTORY

ACTION	DATE
Introduced	03-20-07

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