



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 462
OREGON RACING COMMISSION

FILED

04/29/2025 3:31 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Amends 462-220-0040 (6)(7) clarifies and updates language

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 06/18/2025 8:00 AM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

CONTACT: Karen Parkman
503-853-5927
karen.parkman@orc.oregon.gov

PO Box 366
Gresham, OR 97030

Filed By:
Karen Parkman
Rules Coordinator

NEED FOR THE RULE(S)

Payment schedule update and clarification regarding tax calculation

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Advisory committee meeting minutes electronically stored on file with the agency.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

No affect

FISCAL AND ECONOMIC IMPACT:

No fiscal

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

No cost to comply

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved or affected.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 462-220-0040

RULE SUMMARY: Amends 462-220-0040 to Clarify and update language

CHANGES TO RULE:

462-220-0040

State of Oregon Share of the Pari-Mutuel Handle ¶¶

In addition to the licensing fee set forth in OAR 462-220-0030(6), the hub operator shall pay to the Oregon Racing Commission the payments authorized by ORS 462.725(4)(b) on all gross mutuel wagering receipts recorded by the hub's totalizator system during the license period. The payments shall be made as follows:¶¶

(1) Payments shall be made each month based on the gross mutuel wagering receipts for that month.¶¶

(2) Payments shall be made in a timely manner as prescribed by the executive director of the commission.¶¶

(3) Payments shall be calculated according to one of the following formulas as elected by the hub operator in the manner specified in section (6):¶¶

(a) Payment of 0.125% of the first 60 million dollars in gross mutuel wagering receipts during the license period and 0.25% of the gross mutuel wagering receipts in excess of 60 million dollars during that period; or¶¶

(b) Payment of 0.25% of gross mutuel wagering receipts, except that, if the hub operator conducts business in a state where hubs are specifically authorized and the tax rate is less than 0.25%, the tax rate for wagers by the residents of such state would be that of the state in which they reside. This exception is limited to a single state designated by the hub operator in the manner specified in section (7).¶¶

(4) Advanced deposit wagering handle from past live racing products will be calculated separately from all other gross mutual wagering receipts recorded by the hub's totalizator system. These product wagering receipts will, however, follow the same payment structure as all other gross wagering receipts including the maximum payment set out in section (6).¶¶

(5) Each affiliate of a licensed multi-jurisdictional hub will follow the same payment structure as the licensed multi-jurisdictional hub including the maximum payment set out in section 6. The additional payments, as outlined in (3), will occur after the affiliate's first \$20,000,000.00 in handle or after the licensee has reached their maximum payment, whichever occurs last. The first \$20,000,000.00 of the affiliate's handle and any additional handle if the licensee has not yet reached thier maximum payment is exempt from separate fee payments. The first \$20,000,000.00 will nevertheless apply toward the licensee's maximum payment.¶¶

(6) ~~The maximum payment for fiscal year 2023-2024 is \$797,647.00. T~~Notwithstanding OAR 462-220-0040 (5), the maximum payment set out in section (6) will increase 2.5% on an annual basis for each fiscal year through 2029-2030 unless the commission changes that limit before the beginning of a fiscal year. Maximum payments through fiscal year 2029-2030 are calculated below.¶¶

Fiscal Year - Fee Payment Schedule:¶¶

~~2023-24 - \$797,647.00¶¶~~

~~2024-25 - \$817,588.18¶¶~~

2025-26 - \$838,027.88¶¶

2026-27 - \$858,978.58¶¶

2027-28 - \$880,453.04¶¶

2028-29 - \$902,464.37¶¶

2029-2030 - \$925,025.97¶¶

¶¶

(7) The hub operator shall state in its license application its election to pay tax calculated pursuant to section (3), subsections (a) or (b), for gross mutuel wagering handle minus cancels and refunds, and shall also designate a state that is subject to the exception in section (3), subsection (b), if that formula is elected. The hub operator statement shall be made in its license application or at such other time as is specified by the Commission. Neither the payment formula nor the state subject to the exception may be changed during a license period without the prior approval of the Commission.

Statutory/Other Authority: ORS 462.270(3), 462.725

Statutes/Other Implemented: ORS 462.725