SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE

BILL NO. Senate Bill 1181 **PRINTER'S NO.** 1598

AMOUNT

($5,000,000)
$5,000,000

FUND

Pennsylvania Race Horse Development Fund
State Racing Fund

DATE INTRODUCED

November 18, 2013

PRIME SPONSOR

Senator Vogel

HISTORY OF BILL

Referred to APPROPRIATIONS, Nov. 18, 2013
Reported as amended, Nov. 19, 2013
First consideration, Nov. 19, 2013

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1181 amends The Fiscal Code (Act 176 of 1929) with regard to distributions from the Pennsylvania Race Horse Development Fund ("fund").

The legislation provides that after December 31, 2013, and before July 1, 2014, each week, $250,000 in the fund shall be transferred to the State Racing Fund to be used for the enforcement of the Race Horse Industry Reform Act.

The total transfer provided for under Senate Bill 1181 shall not exceed $5 million.

The act shall take effect immediately.

FISCAL IMPACT:

Senate Bill 1181 directs that an amount not to exceed $5 million be transferred from the Pennsylvania Race Horse Development Fund to the State Racing Fund to be used for enforcement of the Race Horse Industry Reform Act. The transfer will be made in installments of $250,000 per week beginning in January 2014 and ending before July 1, 2014.

The Pennsylvania Race Horse Development Fund was originally established under Act 71 of 2004, known as the Pennsylvania Race Horse Development and Gaming Act. The act provided for casino gaming and was designed to support and advance the Commonwealth's horse racing industry.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Operating horse race tracks receive a daily assessment from each licensed gaming entity (i.e. casino) based on a formula established in the act, and the proceeds are distributed to licensees conducting live horse racing for the benefit of horsemen and the horse racing industry. In fiscal year 2012-13, the Pennsylvania Race Horse Development Fund received approximately $263 million in assessments.

The State Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Harness Racing Commission and the State Horse Racing Commission for the regulation of horse and harness racing. The costs of enforcing the Race Horse Industry Reform Act have been outpacing the tax revenues, licenses and fees collected by the State Racing Fund.