

NO FISCAL IMPACT**Drafting Number:** LLS 10-0504**Date:** January 18, 2010**Prime Sponsor(s):** Sen. Kester**Bill Status:** Senate Agriculture & Natural Resources

Rep. Casso

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TITLE: CONCERNING AN INCREASE IN THE AMOUNTS PAYABLE FROM THE HORSE BREEDERS' AND OWNERS' AWARDS AND SUPPLEMENTAL PURSE FUND FOR COSTS OF ADMINISTRATION.

Summary of Legislation

This bill increases the administrative fee cap on the Horse Breeders' and Owners' Awards and Supplemental Purse Fund from 5 % to 10 %. The bill takes effect August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled, and no referendum petition is filed.

Background

The Horse Breeders' and Owners' Awards and Supplemental Purse Fund consists of moneys deposited into the fund by the horse racing licensee (Arapahoe Park) and by the operator of in-state simulcast horse races. The source of money for the fund is 0.5 % (one-half of one percent) of the mutuel handle on win, place, and show wagers, plus 1.5 % of the mutuel handle on all other wagers from all horse meets, including simulcast programs. In addition, uncashed ticket moneys from previous years is credited to the fund.

Moneys in the fund are held in a trust account to be paid to owners and breeders of Colorado-bred horses. While originally created in statute, the trust account is private and does not flow into or through the State Treasury. For calendar year 2008, \$898,290 was approved for distribution from the fund. An administrative fee is paid to Colorado horse breeder associations for registering and maintaining breeding records. Under current law, the administrative fee may be up to 5 % of the moneys in the fund. This bill increases the administrative fee cap to 10 %.

Assessment

Since the bill only affects money that is already in the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, which is not held in the State Treasury, the bill is assessed as having no fiscal impact. The bill will not affect the distribution to breed organizations, but rather, allows those breed organizations to retain a larger administrative fee before disbursing money to owners and breeders. The distribution to breeder associations is approved annually by the Colorado Racing Commission.

Departments Contacted

Revenue