*Revised to reflect correction in percentages*

# Department of Planning and Budget
## 2018 Fiscal Impact Statement

1. **Bill Number:** HB1609

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|---|---|---|---|---|---|---|
| **House of Origin** | ☐ | Introduced | ☒ | Substitute | ☐ | Engrossed |
| **Second House** | ☐ | In Committee | ☐ | Substitute | ☐ | Enrolled |

2. **Patron:** Webert

3. **Committee:** General Laws and Technology

4. **Title:** Horse racing and pari-mutuel wagering; definition of historical horse racing.

5. **Summary:** Establishes historical horse racing as a form of horse racing. The bill defines historical horse racing as a form of racing that creates pari-mutuel pools from wagers placed on previously conducted horse races and is hosted at (i) a racetrack owned or operated by a significant infrastructure limited licensee or (ii) a satellite facility that is owned or operated by (a) a significant infrastructure limited licensee or (b) the nonprofit industry stakeholder organization recognized by the Virginia Racing Commission (VRC) and licensed to own or operate such satellite facilities. The bill establishes retainage fees similar to those already in existence for horse racing.

6. **Budget Amendment Necessary**: No.

7. **Fiscal Impact Estimates:** Indeterminate. See Item 8.

8. **Fiscal Implications:** The revenue and expenditure impact of this bill are indeterminate.

   Under the provisions of this bill, on pari-mutuel pools generated by wagering on historical horse racing, the licensee shall retain 1.25 percent of such pool to be distributed as follows:
   - 0.75 percent to the Commonwealth (VRC) as a license tax; and
   - 0.50 percent to the locality in which the racetrack is located, if generated at a track, or 0.25 percent to the locality in which the racetrack is located and 0.25 percent to the locality in which the track is located.

   The amount of revenue that historical horse racing may generate for the Commonwealth is indeterminate. It would depend on the number of historical racing terminals the market can support, and the number of days the wagering facility or facilities are open. VRC estimates a return of $150 per machine per day. Additionally, the expenditure impact this bill may have on VRC is indeterminate. VRC anticipates that additional resources to regulate historical racing may be required, but an amount is indeterminate.

9. **Specific Agency or Political Subdivisions Affected:** Virginia Racing Commission, localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.