

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6917**

**BILL NUMBER:** HB 1319

**NOTE PREPARED:** Jan 4, 2009

**BILL AMENDED:**

**SUBJECT:** Unclaimed Pari-mutuel Tickets.

**FIRST AUTHOR:** Rep. Lutz

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill requires the amount of an unclaimed or unrepresented pari-mutuel wagering ticket paid to the Horse Racing Commission each year to be transferred to the county treasurer of the county that contains the racetrack: (1) from which the payment was made; or (2) that is owned by the permit holder that operates the satellite facility from which the payment was made. It requires counties to use the money to pay expenses incurred in the maintenance of county highways. It also provides that the money may not be appropriated to the county highway department to pay for employees' personal services.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** See *Explanation of Local Revenues*.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Summary* - The bill eliminates the distribution of revenue from "outs tickets" to breed development funds and instead distributes the revenue to Madison County and Shelby County. This change would begin in FY 2010. It is estimated that the distributions would total about \$506,000 in FY 2010 and \$494,000 in FY 2011 to Madison County; and \$310,000 in FY 2010 and \$303,000 in FY 2011 to Shelby County.

The bill requires the outs ticket revenue to be used to pay expenses incurred in the maintenance of county highways. However, the bill prohibits the outs ticket revenue from being used to pay for county highway

department employees' personal services.

Background Information - "Outs tickets" are winning pari-mutuel tickets that go unclaimed for 60 days after the conclusion of the calendar year in which the ticket was purchased. Under current statute, revenue from outs tickets purchased during a calendar year must be paid by the pari-mutuel permit holder to the Indiana Horse Racing Commission (IHRC) by March 31<sup>st</sup> of the following calendar year. The outs ticket revenue must be distributed by the IHRC to breed development funds as determined by IHRC rules. Under current IHRC rules, outs ticket revenue is divided between the Standardbred Breed Development Fund (48%), the Thoroughbred Breed Development Fund (48%), and the Quarter Horse Breed Development Fund (4%). Under the bill outs ticket revenue from Hoosier Park and its off-track betting facilities (OTBs) would be distributed to Madison County, and outs tickets revenue from Indiana Downs and its OTBs would be distributed to Shelby County.

Outs ticket revenue in FY 2008 totaled \$852,654, which was down 2.2% from the FY 2007 total. Since 2005, outs ticket revenue has declined by an annual average of 1.4%. Outs tickets revenue is not reported separately for the two pari-mutuel permit holders. As a result, the estimated distribution amounts to Madison County and Shelby County are based on the distribution of the wagering handle between the two permit holders, which in recent years has averaged about 62% of the handle generated by Hoosier Park and its OTBs and 38% attributable to Indiana Downs and its OTBs.

**State Agencies Affected:** IHRC.

**Local Agencies Affected:**

**Information Sources:** Auditor of State *Revenue Trial Balance* FY 2003-FY 2008; IHRC, *Annual Reports* CY 2003-CY 2007.

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