Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

Part I: Measure Information

Bill Request #: 1805
Bill #: _ HB 815
Document ID #: <u>6749</u>
Bill Title: AN ACT relating to the partial distribution of pari-mutuel racing tax receipts to local governments and making an appropriation therefor.
Sponsor: Representative Alan Gentry
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted: Local governments
Requirement: X Mandatory Optional
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 815 creates the pari-mutuel racing local government support fund, which is intended to provide financial assistance to local governments hosting live and historical horse racing facilities. It is funded by 0.2% of all money wagered on live races and historical horse races. The Department for Local Government is tasked with administering this fund and promulgating regulations outlining how local governments can utilize the funds to address social costs associated with problem gambling, such as law enforcement retention, homelessness, affordable housing, and the policing and regulation of racing facilities. They shall also promulgate regulations specifying standards that local governments must meet to qualify for disbursements from the fund. These include application and reporting requirements, a list of eligible expenses, and accountability criteria for local governments. Disbursements from the fund are to be made at least quarterly to counties with tracks or facilities paying excise taxes, with the Department for Local Government responsible for determining the amounts and distributing them accordingly. Additionally, the Department of Revenue is required to provide aggregate

information to the Department for Local Government to facilitate accurate fund distribution.

The fiscal impact of HB 815 on local governments hosting horse racing facilities is likely to be positive. Though there may be costs associated with application and reporting requirements, as well as those associated with meeting accountability criteria, it is anticipated that disbursements to qualifying local governments will be greater than the costs associated with applying for and administering the disbursements.

Data Source(s): LRC Staff

Preparer: Ryan Brown (LG) **Reviewer:** KHC **Date:** 2/29/24