

2 **ESHB 1120** - S COMM AMD
3 By Committee on Ways & Means

4 ADOPTED 3/22/91 - Voice Vote
5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 67.16.014 and 1987 c 453 s 3 are each amended to read
8 as follows:

9 In addition to the commission members appointed under RCW
10 67.16.012, there shall be four ex officio nonvoting members consisting
11 of: (1) Two members of the senate, one from the majority political
12 party and one from the minority political party, both to be appointed
13 by the president of the senate; and (2) two members of the house of
14 representatives, one from the majority political party and one from the
15 minority political party, both to be appointed by the speaker of the
16 house of representatives. The appointments shall be for the term of
17 two years or for the period in which the appointee serves as a
18 legislator, whichever expires first. Members may be reappointed, and
19 vacancies shall be filled in the same manner as original appointments
20 are made. The ex officio members shall assist in the policy making,
21 rather than administrative, functions of the commission, and shall
22 collect data deemed essential to future legislative proposals and
23 exchange information with the commission. The ex officio members shall
24 be deemed engaged in legislative business while in attendance upon the
25 business of the commission and shall be limited to such allowances
26 therefor as otherwise provided in RCW 44.04.120, the same to be paid
27 from the horse racing commission fund as being expenses relative to
28 commission business.

1 (~~This section shall expire on October 31, 1991.~~)"

2 "**Sec. 2.** RCW 67.16.100 and 1985 c 466 s 67 and 1985 c 146 s 6 are
3 each reenacted and amended to read as follows:

4 In addition to the license fees required by this chapter, the
5 licensee shall pay to the commission the percentages of the gross
6 receipts of all parimutuel machines at each race meet in accordance
7 with RCW 67.16.105, which sums shall be paid daily to the commission.

8 All sums paid to the commission, together with all sums collected
9 for license fees under the provisions of this chapter and excluding

10 those sums collected under RCW 67.16.105(3), shall be disposed of by
11 the commission as follows: (~~Twenty-two~~) Fifty percent thereof shall

12 be retained by the commission for the payment of the salaries of its
13 members, secretary, clerical, office, and other help and all expenses

14 incurred in carrying out the provisions of this chapter. No salary,
15 wages, expenses, or compensation of any kind shall be paid by the state

16 in connection with the work of the commission. (~~Forty~~) One percent
17 shall, on the next business day following the receipt thereof, be paid

18 to the state treasurer to be deposited in the general fund, and three
19 percent shall, on the next business day following the receipt thereof,

20 be paid to the state treasurer, who is hereby made ex officio treasurer
21 of a fund to be known as the "state trade fair fund" which shall be

22 maintained as a separate and independent fund, and made available to
23 the director of trade and economic development for the sole purpose of

24 assisting state trade fairs. (~~Thirty-five~~) Forty-six percent shall
25 be paid to the state treasurer, who is hereby made ex officio treasurer

26 of a fund to be known as the "fair fund," which shall be maintained as
27 a separate and independent fund outside of the state treasury, and made

28 available to the director of agriculture for the sole purpose of
29 assisting fairs in the manner provided in Title 15 RCW. Any moneys

1 collected or paid to the commission under the terms of this chapter and
2 not expended at the close of the fiscal biennium shall be paid to the
3 state treasurer and be placed in the general fund. The commission may,
4 with the approval of the office of financial management, retain any sum
5 required for working capital."

6 "Sec. 3. RCW 67.16.102 and 1982 c 132 s 5 are each amended to read
7 as follows:

8 (1) Notwithstanding any other provision of chapter 67.16 RCW to the
9 contrary the licensee shall withhold and shall pay daily to the
10 commission, in addition to the percentages authorized by RCW 67.16.100
11 and 67.16.130, as now or hereafter amended, and RCW 67.16.105, one
12 percent of the gross receipts of all parimutuel machines at each race
13 meet which sums shall, at the end of each meet, be paid by the
14 commission to the licensed owners of those horses finishing first,
15 second, third and fourth Washington bred only at each meet from which
16 the additional one percent is derived in accordance with an equitable
17 distribution formula to be promulgated by the commission prior to the
18 commencement of each race meet: PROVIDED, That nothing in this section
19 shall apply to race meets which are nonprofit in nature, or of ten days
20 or less or which have an average daily handle of less than one hundred
21 twenty thousand dollars: PROVIDED, That the additional one percent of
22 the gross receipts of all parimutuel machines at each race meet and the
23 amount retained by the commission as specified in RCW 67.16.100 shall
24 be deposited daily in a time deposit by the commission and the interest
25 derived therefrom shall be distributed annually on an equal basis to
26 those race courses at which independent race meets are held which are
27 nonprofit in nature and are of ten days or less: PROVIDED, That prior
28 to receiving a payment under this section any new race course shall
29 meet the qualifications set forth in this section for a period of two

1 years: PROVIDED, FURTHER, That said distributed funds shall be used
2 for the purpose of maintaining and upgrading the respective racing
3 courses and equine quartering areas of said nonprofit meets. The
4 commission shall not permit the licensees to take into consideration
5 the benefits derived from this section in establishing purses.

6 (2) The commission is authorized to pay fifty percent of the funds
7 retained under this section to a new licensee, from that new licensee's
8 race meet, for reimbursement of capital construction of the licensee's
9 new racetrack for a period of five years. The funds referred to in
10 this section do not include interest earned and the interest shall
11 continue to be collected and disbursed as provided in RCW 67.16.101 and
12 subsection (1) of this section. The funds referred to in this section
13 shall be distributed at the end of the calendar year."

14 "Sec. 4. RCW 67.16.105 and 1987 c 347 s 4 are each amended to read
15 as follows:

16 ~~((Except as provided for satellite wagers in RCW 67.16.210,))~~ The
17 licensee shall pay to the commission daily for each authorized day of
18 racing the following applicable percentage of all daily gross receipts
19 from all parimutuel machines at each race meet, including satellites:

20 (1) If the daily gross receipts of all parimutuel machines,
21 including satellites, are more than two hundred fifty thousand dollars,
22 the licensee shall pay to the commission daily two and one-half percent
23 of the daily gross receipts~~((, if the daily gross receipts are two~~
24 ~~hundred thousand dollars or less))~~);

25 (2) If the daily gross receipts of all parimutuel machines,
26 including satellites, are two hundred fifty thousand dollars or less,
27 the licensee shall pay to the commission daily one percent of the daily
28 gross receipts~~((, if the daily gross receipts are two hundred thousand~~
29 ~~one dollars to four hundred thousand dollars))~~; and

1 (3) (~~Four percent of the daily gross receipts if the daily gross~~
2 ~~receipts are four hundred thousand one dollars or more~~) In addition,
3 one-tenth of one percent of the daily gross receipts of all parimutuel
4 machines including satellites shall be forwarded to the commission for
5 payment to those nonprofit race meets as set forth in RCW 67.16.130 and
6 said percentage shall not be charged against the licensee. The total
7 of such payments shall not exceed one hundred fifty thousand dollars in
8 any one year and any amount in excess of one hundred fifty thousand
9 dollars shall be remitted to the general fund. Payments to nonprofit
10 race meets under this subsection shall be distributed on a pro rata
11 per-race-day basis and used only for purses at race tracks that have
12 been operating under RCW 67.16.130 for the five consecutive years
13 immediately preceding the year of payment."

14 **"Sec. 5.** RCW 67.16.130 and 1985 c 146 s 8 are each amended to read
15 as follows:

16 (1) Notwithstanding any other provision of law or of chapter 67.16
17 RCW, the commission may license race meets which are nonprofit in
18 nature, of ten days or less, and which have an average daily handle of
19 one hundred twenty thousand dollars or less, at a daily licensing fee
20 of ten dollars, and the sponsoring nonprofit association shall be
21 exempt from any other fees as provided for in chapter 67.16 RCW or by
22 rule or regulation of the commission: PROVIDED, That the commission on
23 or after January 1, 1971 may deny the application for a license to
24 conduct a racing meet by a nonprofit association, if same shall be
25 determined not to be a nonprofit association by the Washington state
26 racing commission.

27 (2) Notwithstanding any other provision of law or of chapter 67.16
28 RCW the licensees of race meets which are nonprofit in nature, of ten
29 days or less, and which have an average daily handle of one hundred

1 twenty thousand dollars or less, shall withhold and shall pay daily to
2 the commission (~~((the percentages authorized by RCW 67.16.105,~~
3 ~~67.16.170, and 67.16.175))~~ one-half percent.

4 (3) Notwithstanding any other provision of law or of chapter 67.16
5 RCW or any rule promulgated by the commission, no license for a race
6 meet which is nonprofit in nature, of ten days or less, and which has
7 an average daily handle of one hundred twenty thousand dollars or less,
8 shall be denied for the reason that the applicant has not installed an
9 electric parimutuel tote board.

10 (4) As a condition to the reduction in fees as provided for in
11 subsection (1) (~~((hereof))~~) of this section, all fees charged to horse
12 owners, trainers, or jockeys, or any other fee charged for a permit
13 incident to the running of such race meet shall be retained by the
14 commission as reimbursement for its expenses incurred in connection
15 with the particular race meet."

16 "Sec. 6. RCW 67.16.170 and 1987 c 347 s 2 are each amended to read
17 as follows:

18 (~~((Except as provided for satellite wagers in RCW 67.16.220,))~~) Race
19 meets, including satellites, which have gross receipts of all
20 parimutuel machines for each authorized day of racing may retain the
21 following from the daily gross receipts of all parimutuel machines:

22 (1) (~~((On a daily handle of two hundred thousand dollars or less,~~
23 ~~the licensee shall retain fourteen))~~) If the daily gross receipts of all
24 parimutuel machines, including satellites, are more than two hundred
25 fifty thousand dollars, the licensee may retain twelve and one-half
26 percent of (~~((such))~~) the daily gross receipts;

27 (2) (~~((On a daily handle of two hundred thousand one dollars to four~~
28 ~~hundred thousand dollars, the licensee shall))~~) If the daily gross
29 receipts of all parimutuel machines, including satellites, are two

1 hundred fifty thousand dollars or less, the licensee may retain
2 fourteen percent of ((such)) the daily gross receipts; and

3 (3) ~~((On a daily handle of four hundred thousand one dollars or~~
4 ~~more, the licensee shall retain eleven percent of such gross~~
5 ~~receipts.))~~ Licensees of race meets that are nonprofit in nature of ten
6 days or less and that have an average daily handle of one hundred
7 twenty thousand dollars or less may retain fourteen and one-half
8 percent of daily gross receipts."

9 "Sec. 7. RCW 67.16.175 and 1987 c 453 s 1 and 1987 c 347 s 3 are
10 each reenacted and amended to read as follows:

11 (1) ~~((Except as provided for satellite wagers in RCW 67.16.210 and~~
12 ~~67.16.220, daily gross receipts of all parimutuel machines from wagers~~
13 ~~on exotic races shall be distributed according to this section:~~

14 (a) ~~In addition to the amounts set forth in RCW 67.16.105, an~~
15 ~~additional two and five tenths percent of gross receipts on races with~~
16 ~~two or more selections and three and five tenths percent of gross~~
17 ~~receipts on races with three or more selections shall be paid to the~~
18 ~~commission. The commission shall retain thirty one percent of the~~
19 ~~additional percentages from exotic races and shall forward the balance~~
20 ~~to the state treasurer daily for deposit in the general fund.~~

21 (b) ~~In addition to the amounts authorized to be retained in RCW~~
22 ~~67.16.170, race meets may retain an additional three percent of the~~
23 ~~daily gross receipts of all parimutuel machines from wagers on exotic~~
24 ~~races requiring two selections to be used as provided in subsection (2)~~
25 ~~of this section.~~

26 (c) ~~In addition to the amounts authorized to be retained in RCW~~
27 ~~67.16.170, race meets may retain an additional six percent of the daily~~
28 ~~gross receipts of all parimutuel machines from wagers on exotic races~~
29 ~~requiring three or more selections to be used as provided in subsection~~

1 ~~(2) of this section.))~~ In addition to the amounts authorized to be
2 retained in RCW 67.16.170, race meets may retain an additional six
3 percent of the daily gross receipts of all parimutuel machines from
4 wagers on exotic wagers.

5 (2) Of the amounts retained in subsection (1) (~~((b) and (c))~~) of
6 this section, one percent of the daily gross receipts of all parimutuel
7 machines from wagers on exotic wagers shall be used for Washington-bred
8 breeder awards(~~(, not to exceed twenty percent of the winner's share of~~
9 ~~the purse))~~).

10 (3) (~~Any portion of the remaining moneys retained in subsection~~
11 ~~(1) (b) and (c) of this section shall be shared equally by the race~~
12 ~~track and participating horsemen. The amount shared by participating~~
13 ~~horsemen shall be in addition to and shall not supplant the customary~~
14 ~~purse structure between race tracks and participating horsemen)) Of
15 the amounts retained for breeder awards under subsection (2) of this
16 section, twenty-five percent shall be retained by a new licensee for
17 reimbursement of capital construction of the licensee's new race track
18 for a period of five years.~~

19 (4) As used in this section, "exotic (~~(races))~~ wagers" means any
20 multiple wager. Exotic (~~(races))~~ wagers are subject to approval of the
21 commission."

22 "**Sec. 8.** RCW 67.16.200 and 1987 c 347 s 1 are each amended to read
23 as follows:

24 (1) A racing association licensed by the commission to conduct a
25 race meet may seek approval from the commission to conduct parimutuel
26 wagering on its program at a satellite location or locations within the
27 state of Washington. The sale of parimutuel pools at satellite
28 locations shall be conducted only during the licensee's race meet and
29 simultaneous to all parimutuel wagering activity conducted at the

1 licensee's racing facility in the state of Washington. The
2 commission's authority to approve satellite wagering at a particular
3 location is subject to the following limitations:

4 (a) The commission may approve only one satellite location in each
5 county in the state; however, the commission may grant approval for
6 more than one licensee to conduct wagering at each satellite location.

7 (b) The commission shall not allow a licensee to conduct satellite
8 wagering at a satellite location within ~~((fifty-air))~~ twenty ground
9 miles of the licensee's racing facility. For purposes of this section,
10 "ground miles" means miles measured from point to point in a straight
11 line.

12 (c)(i) The commission may allow a licensee to conduct satellite
13 wagering at a satellite location within fifty ~~((air))~~ ground miles of
14 the racing facility of another licensee who conducts race meets of
15 thirty days or more, but only if the satellite location is the racing
16 facility of another licensee who conducts race meets of thirty days or
17 more and only if the licensee seeking to conduct satellite wagering
18 suspends its program during the conduct of the meets of all licensees
19 within fifty ~~((air))~~ ground miles; except that the commission may allow
20 a licensee that conducts satellite wagering at another track, pursuant
21 to this subsection, to use other satellite locations, used by that
22 track with the approval of the owner of that track, even though those
23 satellite locations are within a fifty ground mile radius.

24 (ii) Subject to subsection (1)(c)(i) of this section, the
25 commission may allow a licensee to conduct satellite wagering at a
26 satellite location within fifty ~~((air))~~ ground miles of the racing
27 facility of another licensee who conducts race meets of under thirty
28 days, but only if the licensee seeking to conduct satellite wagering
29 suspends its satellite program during the conduct of the meets of all
30 licensees within fifty ~~((air))~~ ground miles.

1 (2) Subject to local zoning and other land use ordinances, the
2 commission shall be the sole judge of whether approval to conduct
3 wagering at a satellite location shall be granted.

4 (3) The licensee shall combine the parimutuel pools of the
5 satellite location with those of the racing facility for the purpose of
6 determining odds and computing payoffs. The amount wagered at the
7 satellite location shall be combined with the amount wagered at the
8 racing facility for the application of take out formulas and
9 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.130,
10 67.16.170, and 67.16.175(~~(, 67.16.210, and 67.16.220)~~). A satellite
11 extension of the licensee's racing facility shall be subject to the
12 same application of the rules of racing as the licensee's racing
13 facility."

14 "NEW SECTION. Sec. 9. The following acts or parts of acts are
15 each repealed:

- 16 (1) RCW 67.16.210 and 1987 c 347 s 5;
17 (2) RCW 67.16.220 and 1987 c 347 s 6;
18 (3) RCW 67.16.910 and 1990 c 297 s 24; and
19 (4) RCW 67.16.911 and 1990 c 297 s 25."

20 "NEW SECTION. Sec. 10. This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and shall take
23 effect immediately."

1 **ESHB 1120** - S COMM AMD
2 By Committee on Ways & Means

3 ADOPTED 3/22/91 - Voice Vote

4 On page 1, line 1 of the title, after "racing;" strike the
5 remainder of the title and insert "amending RCW 67.16.014, 67.16.102,
6 67.16.105, 67.16.130, 67.16.170, and 67.16.200; reenacting and amending
7 RCW 67.16.100 and 67.16.175; repealing RCW 67.16.210, 67.16.220,
8 67.16.910, and 67.16.911; and declaring an emergency."