

**SENATE BILL REPORT**

**SB 6488**

**AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &  
ECONOMIC DEVELOPMENT, FEBRUARY 2, 1994**

**Brief Description:** Revising the thoroughbred racing fund.

**SPONSORS:** Senators Skratek, West, Gaspard, Deccio and M. Rasmussen

**SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT**

**Majority Report:** Do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Cantu, Erwin, M. Rasmussen and Williams.

**Staff:** Traci Ratzliff (786-7452)

**Hearing Dates:** February 1, 1994; February 2, 1994

**BACKGROUND:**

In response to the anticipated closure of Longacres Race Track and the need to encourage the construction of a replacement for that track, the Legislature enacted ESHB 1120 during the 1991 session. Among other things, this bill reduced the parimutuel tax on race tracks with an average daily handle of more than \$250,000 by approximately 2.5 percent. In addition, it created the Washington Thoroughbred Racing (WTR) fund. Licensees who are nonprofit corporations and have race meets of 30 days or more are required to pay to the Horse Racing Commission 2.5 percent of their daily gross receipts. These funds are deposited into the WTR fund. This fund is intended to be used to benefit and support the interim continuation of thoroughbred racing, capital construction of a new race track facility, and programs enhancing the general welfare, safety, and advancement of the Washington thoroughbred racing industry. Emerald Racing Association, which operated Longacres Park during its final two years, is the only track operator required to contribute to the WTR fund.

Since the closure of Longacres, Emerald Racing Association has operated at Yakima Meadows. In 1993, the Legislature enacted EHB 1845, which reduced Emerald Racing Association's contribution to the WTR fund to 1.25 percent of their daily gross receipts. Emerald was required to use the money retained to enhance purses at Yakima Meadows.

In the 1993 capital budget, the Legislature appropriated \$8.2 million in the WTR fund to the Horse Racing Commission.

**SUMMARY:**

Licensees who are nonprofit corporations and have race meets of 30 days or more shall retain and dedicate 1.25 percent of their daily gross receipts for the purpose of increasing purses. In addition, such licensees shall retain and deposit an additional 1.25 percent of their daily gross receipts into an escrow or trust fund. These funds shall only be used for the construction of a new thoroughbred race track facility in Western Washington.

Clarifying language is added to the Horse Racing Commission's \$8.2 million 1993 capital budget appropriation to assure that these funds are only expended to construct horse race or related facilities after the Horse Racing Commission determines the applicant has the ability to complete the construction of a facility and the applicant has completed all state and federal permitting requirements.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**TESTIMONY FOR:**

In order to retain the quality and number of horses running in this state, it is important that the 1.25 percent be used to enhance purses at races run in Yakima by the Emerald Racing Association.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Frank Warnke, Marie Clifford, Emerald Racing Association; Ted Martin, Playfair Racing