

HOUSE BILL REPORT

SSB 5281

As Reported By House Committee On:

Commerce & Labor

Title: An act relating to Washington thoroughbred racing.

Brief Description: Promoting horse racing.

Sponsors: Senate Committee on Labor, Commerce & Trade (originally sponsored by Senators Heavey, Pelz, Roach, Deccio, Kohl, West, Drew and Rasmussen).

Brief History:

Committee Activity:

Commerce & Labor: 3/30/95 [DPA].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 10 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Goldsmith and Horn.

Staff: Pam Madson (786-7166).

Background: The Washington Thoroughbred Racing Fund was created in 1991. Licensees who were nonprofit corporations and had race meets of 30 days or more were required to pay to the Horse Racing Commission 2.5 percent of their daily gross receipts. The commission was required to deposit these funds into the Washington Thoroughbred Racing Fund (the fund). The only operator required to contribute to the fund under this provision was the nonprofit Emerald Racing Association (Emerald), that operated Longacres Park in its final two years of existence. During that time, Emerald contributed over \$8 million to the Washington Thoroughbred Racing Fund.

Money in the fund could be spent only after legislative appropriation and for the following purposes: (1) Support of the interim continuation of thoroughbred racing; (2) Capital construction of a new race track facility; and (3) Programs enhancing the general welfare, safety, and advancement of Washington's thoroughbred racing industry.

After Longacres closed in 1992, Emerald was awarded the license to operate the 1993 summer races at Yakima Meadows. In 1993, the Legislature reduced the amount contributed to the Thoroughbred Racing Fund to 1.25 percent of daily gross receipts and allowed Emerald to retain the other 1.25 percent to enhance purses for winning horses. Also in 1993, \$8.2 million was appropriated from the fund to the Horse Racing Commission subject to certain restrictions. Expenditures must protect the state's long-term interest in the continuation and development of thoroughbred racing. No money could be spent until the Horse Racing Commission determined that an applicant for a new race track had the ability to complete construction of the facility and fund its operation, and the applicant had completed all the permit requirements for construction of the new facility. No expenditures have been made from this fund.

In 1994, the legislature allowed Emerald to retain the 1.25 percent of daily gross receipts that it had been contributing to the Thoroughbred Racing Fund, and deposit that amount into an escrow or trust account for construction of a new race track facility in western Washington. This arrangement was to continue until June 1, 1995. Thereafter, 2.5 percent would again go to the Commission for deposit into the Thoroughbred Racing Fund. If no race track is built by 2001, all money in the escrow or trust account reverts to the state general fund.

Summary of Amended Bill: A non-profit licensee having race meets of more than 30 days, may continue to retain 2.5 percent of its daily gross receipts but must continue to dedicate 1.25 percent to enhancing purses and 1.25 percent to be deposited in a trust account for construction of a new facility in western Washington. No termination date is specified and no future contribution to the Thoroughbred Racing Fund is required.

Amended Bill Compared to Substitute Bill: Reference to appropriating the money from the Washington Thoroughbred Racing Fund is eliminated.

Appropriation: None.

Fiscal Note: Requested on March 21, 1995.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will enable horsemen to continue receiving purse money and will help keep the horseracing industry alive until a new race track can be built. This continues a practice started a few years ago. It is important to support this industry during the interim period until a new track is built.

Testimony Against: None.

Testified: Marie Clifford, Emerald Racing Association; Carl Baze, Horsemen's Benevolent Protective Association; Ralph Vacca, Washington Thoroughbred Breeders Association; and Barbara Shimpoch and Bruce Battson, Washington Horse Racing Commission.