

2 **ESSB 5762** - H COMM AMD

3 By Committee on Trade & Economic Development

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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature finds that Washington's
8 equine racing industry creates economic, environmental, and
9 recreational impacts across the state affecting agriculture, horse
10 breeding, the horse training industry, agricultural fairs and youth
11 programs, and tourism and employment opportunities. The Washington
12 equine industry has incurred a financial decline coinciding with
13 increased competition from the gaming industry in the state and from
14 the lack of a class 1 racing facility in western Washington from 1993
15 through 1995. This act is necessary to preserve, restore, and
16 revitalize the equine breeding and racing industries and to preserve in
17 Washington the economic and social impacts associated with these
18 industries. Preserving Washington's equine breeding and racing
19 industries, and in particular those sectors of the industries that are
20 dependent upon live horse racing, is in the public interest of the
21 state. The purpose of this act is to preserve Washington's equine
22 breeding and racing industries and to protect these industries from
23 adverse economic impacts. This act does not establish a new form of
24 gaming in Washington or allow expanded gaming within the state beyond
25 what has been previously authorized. Simulcast wagering has been
26 allowed in Washington before the effective date of this act.
27 Therefore, this act does not allow gaming of any nature or scope that
28 was prohibited before the effective date of this act.

29 **Sec. 2.** RCW 67.16.050 and 1985 c 146 s 3 are each amended to read
30 as follows:

31 Every person making application for license to hold a race meet,
32 under the provisions of this chapter shall file an application with the
33 commission which shall set forth the time, the place, the number of
34 days such meet will continue, and such other information as the
35 commission may require. The commission shall be the sole judge of

1 whether or not the race meet shall be licensed and the number of days
2 the meet shall continue. No person who has been convicted of any crime
3 involving moral turpitude shall be issued a license, nor shall any
4 license be issued to any person who has violated the terms or
5 provisions of this chapter, or any of the rules and regulations of the
6 commission made pursuant thereto, or who has failed to pay to the
7 commission any or all sums required under the provisions of this
8 chapter. The license shall specify the number of days the race meet
9 shall continue and the number of races per day, which shall ((be))
10 include not less than six nor more than eleven live races per day, and
11 for which a fee shall be paid daily in advance of five hundred dollars
12 for each live race day for those ((meets)) licensees which had gross
13 receipts from parimutuel machines in excess of fifty million dollars in
14 the previous year and two hundred dollars for each day for meets which
15 had gross receipts from parimutuel machines at or below fifty million
16 dollars in the previous year; in addition any newly authorized live
17 race meets shall pay two hundred dollars per day for the first year:
18 PROVIDED, That if unforeseen obstacles arise, which prevent the
19 holding, or completion of any race meet, the license fee for the meet,
20 or for a portion which cannot be held may be refunded the licensee, if
21 the commission deems the reasons for failure to hold or complete the
22 race meet sufficient. Any unexpired license held by any person who
23 violates any of the provisions of this chapter, or any of the rules or
24 regulations of the commission made pursuant thereto, or who fails to
25 pay to the commission any and all sums required under the provisions of
26 this chapter, shall be subject to cancellation and revocation by the
27 commission. Such cancellation shall be made only after a summary
28 hearing before the commission, of which three days' notice, in writing,
29 shall be given the licensee, specifying the grounds for the proposed
30 cancellation, and at which hearing the licensee shall be given an
31 opportunity to be heard in opposition to the proposed cancellation.

32 **Sec. 3.** RCW 67.16.105 and 1995 c 173 s 2 are each amended to read
33 as follows:

34 (1) Licensees of race meets that are nonprofit in nature, are of
35 ten days or less, and have an average daily handle of one hundred
36 twenty thousand dollars or less shall withhold and pay to the
37 commission daily for each authorized day of racing one-half percent of

1 the daily gross receipts from all parimutuel machines at each race
2 meet.

3 (2) Licensees (~~of race meets~~) that do not fall under subsection
4 (1) of this section shall withhold and pay to the commission (~~daily~~
5 ~~for each authorized day of racing~~) the following applicable percentage
6 of all daily gross receipts from (~~all~~) its in-state parimutuel
7 machines (~~at each race meet~~):

8 (a) If the daily gross receipts of all its in-state parimutuel
9 machines are more than two hundred fifty thousand dollars, the licensee
10 shall withhold and pay to the commission daily two and one-half percent
11 of the daily gross receipts; and

12 (b) If the daily gross receipts of all its in-state parimutuel
13 machines are two hundred fifty thousand dollars or less, the licensee
14 shall withhold and pay to the commission daily one percent of the daily
15 gross receipts.

16 (3) In addition to those amounts in subsections (1) and (2) of this
17 section, (~~all~~) a licensee(~~s~~) shall forward one-tenth of one percent
18 of the daily gross receipts of all its in-state parimutuel machines to
19 the commission (~~daily~~) for payment to those nonprofit race meets as
20 set forth in RCW 67.16.130 and subsection (1) of this section, but said
21 percentage shall not be charged against the licensee(~~s. The total of~~
22 ~~such payments shall not exceed one hundred fifty thousand dollars in~~
23 ~~any one year and any amount in excess of one hundred fifty thousand~~
24 ~~dollars shall be remitted to the general fund~~). Payments to nonprofit
25 race meets under this subsection shall be distributed on a pro rata
26 per-race-day basis and used only for purses at race tracks that have
27 been operating under RCW 67.16.130 and subsection (1) of this section
28 for the five consecutive years immediately preceding the year of
29 payment.

30 (~~(4) In addition to those sums paid to the commission in~~
31 ~~subsection (2) of this section, licensees who are nonprofit~~
32 ~~corporations and have race meets of thirty days or more shall retain~~
33 ~~and dedicate: (a) An amount equal to one and one quarter percent of~~
34 ~~the daily gross receipts of all parimutuel machines at each race meet~~
35 ~~to be used solely for the purpose of increasing purses; and (b) an~~
36 ~~amount equal to one and one quarter percent of the daily gross receipts~~
37 ~~of all parimutuel machines at each race meet to be deposited in an~~
38 ~~escrow or trust account and used solely for construction of a new~~
39 ~~thoroughbred race track facility in western Washington. Said~~

1 percentages shall come from that amount the licensee is authorized to
2 retain under RCW 67.16.170(2). The commission shall adopt such rules
3 as may be necessary to enforce this subsection.

4 (5) In the event the new race track is not constructed before
5 January 1, 2001, all funds including interest, remaining in the escrow
6 or trust account established in subsection (4) of this section, shall
7 revert to the state general fund.)

8 **Sec. 4.** RCW 67.16.200 and 1991 c 270 s 10 are each amended to read
9 as follows:

10 (1) A racing association licensed by the commission to conduct a
11 race meet may seek approval from the commission to conduct parimutuel
12 wagering on its program at a satellite location or locations within the
13 state of Washington. The sale of parimutuel pools at satellite
14 locations shall be conducted only during the licensee's race meet and
15 simultaneous to all parimutuel wagering activity conducted at the
16 licensee's live racing facility in the state of Washington. The
17 commission's authority to approve satellite wagering at a particular
18 location is subject to the following limitations:

19 (a) The commission may approve only one satellite location in each
20 county in the state; however, the commission may grant approval for
21 more than one licensee to conduct wagering at each satellite
22 location((-

23 (b) The commission shall not allow a licensee to conduct satellite
24 wagering at a satellite location within twenty ground miles of the
25 licensee's racing facility. For purposes of this section, "ground
26 miles" means miles measured from point to point in a straight line.

27 (c)(i) The commission may allow a licensee to conduct satellite
28 wagering at a satellite location within fifty ground miles of the
29 racing facility of another licensee who conducts race meets of thirty
30 days or more, but only if the satellite location is the racing facility
31 of another licensee who conducts race meets of thirty days or more and
32 only if the licensee seeking to conduct satellite wagering suspends its
33 program during the conduct of the meets of all licensees within fifty
34 ground miles; except that the commission may allow a licensee that
35 conducts satellite wagering at another track, pursuant to this
36 subsection, to use other satellite locations, used by that track with
37 the approval of the owner of that track, even though those satellite
38 locations are within a fifty ground mile radius.

1 ~~(ii) Subject to subsection (1)(c)(i) of this section, the~~
2 ~~commission may allow a licensee to conduct satellite wagering at a~~
3 ~~satellite location within fifty ground miles of the racing facility of~~
4 ~~another licensee who conducts race meets of under thirty days, but only~~
5 ~~if the licensee seeking to conduct satellite wagering suspends its~~
6 ~~satellite program during the conduct of the meets of all licensees~~
7 ~~within fifty ground miles)).~~ A satellite location shall not be
8 operated within twenty driving miles of any class 1 racing facility.
9 For the purposes of this section, "driving miles" means miles measured
10 by the most direct route as determined by the commission; and

11 (b) A licensee shall not conduct satellite wagering at any
12 satellite location within sixty driving miles of any other racing
13 facility conducting a live race meet.

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

17 (3) The licensee shall combine the parimutuel pools of the
18 satellite location with those of the racing facility for the purpose of
19 determining odds and computing payoffs. The amount wagered at the
20 satellite location shall be combined with the amount wagered at the
21 racing facility for the application of take out formulas and
22 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and
23 67.16.175. A satellite extension of the licensee's racing facility
24 shall be subject to the same application of the rules of racing as the
25 licensee's racing facility.

26 (4) Upon written application to the commission, a class 1 racing
27 association may be authorized to transmit simulcasts of live horse
28 races conducted at its racetrack to locations outside of the state of
29 Washington approved by the commission and in accordance with the
30 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or
31 any other applicable laws. The commission may permit parimutuel pools
32 on the simulcast races to be combined in a common pool. A racing
33 association that transmits simulcasts of its races to locations outside
34 this state shall pay at least fifty percent of the fee that it receives
35 for sale of the simulcast signal to the horsemen's purse account for
36 its live races after first deducting the actual cost of sending the
37 signal out of state.

38 (5) Upon written application to the commission, a class 1 racing
39 association may be authorized to transmit simulcasts of live horse

1 races conducted at its racetrack to licensed racing associations
2 located within the state of Washington and approved by the commission
3 for the receipt of the simulcasts. The commission shall permit
4 parimutuel pools on the simulcast races to be combined in a common
5 pool. The fee for in-state, track-to-track simulcasts shall be five
6 and one-half percent of the gross parimutuel receipts generated at the
7 receiving location and payable to the sending racing association. A
8 racing association that transmits simulcasts of its races to other
9 licensed racing associations shall pay at least fifty percent of the
10 fee that it receives for the simulcast signal to the horsemen's purse
11 account for its live race meet after first deducting the actual cost of
12 sending the simulcast signal. A racing association that receives races
13 simulcast from class 1 racing associations within the state shall pay
14 at least fifty percent of its share of the parimutuel receipts to the
15 horsemen's purse account for its live race meet after first deducting
16 the purchase price and the actual direct costs of importing the race.

17 (6) A class 1 racing association may be allowed to import
18 simulcasts of horse races from out-of-state racing facilities. With
19 the prior approval of the commission, the class 1 racing association
20 may participate in an interstate common pool and may change its
21 commission and breakage rates to achieve a common rate with other
22 participants in the common pool.

23 (a) The class 1 racing association shall make written application
24 with the commission for permission to import simulcast horse races for
25 the purpose of parimutuel wagering. Subject to the terms of this
26 section, the commission is the sole authority in determining whether to
27 grant approval for an imported simulcast race.

28 (b) During the conduct of its race meeting, a class 1 racing
29 association may be allowed to import no more than one simulcast race
30 card program during each live race day. A licensed racing association
31 may also be approved to import one simulcast race of regional or
32 national interest on each live race day. A class 1 racing association
33 may be permitted to import two simulcast programs on two nonlive race
34 days per each week during its live meet. A licensee shall not operate
35 parimutuel wagering on more than five days per week. Parimutuel
36 wagering on imported simulcast programs shall only be conducted at the
37 live racing facility of a class 1 racing association.

38 (c) The commission may allow simulcast races of regional or
39 national interest to be sent to satellite locations. The simulcasts

1 shall be limited to one per day except for Breeder's Cup special events
2 day.

3 (d) When open for parimutuel wagering, a class 1 racing association
4 which imports simulcast races shall also conduct simulcast parimutuel
5 wagering within its licensed racing enclosure on all races simulcast
6 from other class 1 racing associations within the state of Washington.

7 (e) When not conducting a live race meeting, a class 1 racing
8 association may be approved to conduct simulcast parimutuel wagering on
9 imported simulcast races. The conduct of simulcast parimutuel wagering
10 on the simulcast races shall be for not more than twelve hours during
11 any twenty-four hour period, for not more than five days per week and
12 only at its live racing facility.

13 (f) On any imported simulcast race, the class 1 racing association
14 shall pay fifty percent of its share of the parimutuel receipts to the
15 horsemen's purse account for its live race meet after first deducting
16 the purchase price of the imported race and the actual costs of
17 importing the race.

18 (7) For purposes of this section, a class 1 racing association is
19 defined as a licensee approved by the commission which conducts during
20 each twelve-month period at least forty days of live racing within four
21 successive calendar months. The commission may by rule increase the
22 number of live racing days required to maintain class 1 racing
23 association status.

24 (8) This section does not establish a new form of gaming in
25 Washington or allow expanded gaming within the state beyond what has
26 been previously authorized. Simulcast wagering has been allowed in
27 Washington before the effective date of this act. Therefore, this
28 section does not allow gaming of any nature or scope that was
29 prohibited before the effective date of this act. This section is
30 necessary to protect the Washington equine breeding and racing
31 industries, and in particular those sectors of these industries that
32 are dependent upon live horse racing. The purpose of this section is
33 to protect these industries from adverse economic impacts and to
34 promote fan attendance at class 1 racing facilities. Therefore,
35 imported simulcast race card programs shall not be disseminated to any
36 location outside the live racing facility of the class 1 racing
37 association and a class 1 racing association is strictly prohibited
38 from simulcasting imported race card programs to any location outside
39 its live racing facility.

1 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
2 repealed:

- 3 (1) RCW 67.16.190 and 1985 c 146 s 12 & 1981 c 70 s 3; and
4 (2) RCW 67.16.250 and 1994 c 159 s 3 & 1991 c 270 s 12.

5 NEW SECTION. **Sec. 6.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and takes effect
12 immediately."

--- END ---