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**SUBSTITUTE SENATE BILL 6562**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Heavey, Rasmussen and Anderson)

Read first time 02/05/98.

1 AN ACT Relating to relief for the equine industry by amending the  
2 parimutuel tax on horse racing to provide additional support for  
3 licensed racing associations, the state fair account, the state trade  
4 fair account, and the Washington horse racing commission; amending RCW  
5 15.04.090, 67.16.100, 67.16.105, and 67.16.170; adding a new section to  
6 chapter 15.76 RCW; adding a new section to chapter 43.31 RCW; adding  
7 new sections to chapter 43.131 RCW; making appropriations; and  
8 declaring an emergency.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 **Sec. 1.** RCW 15.04.090 and 1961 c 11 s 15.04.090 are each amended  
11 to read as follows:

12 The director of agriculture may, at his discretion, for a period of  
13 not to exceed ten years, lease state lands which are now or may  
14 hereafter be, under his direction and control, the retention of which  
15 he deems unnecessary for present state purposes or needs, to any  
16 nonprofit group or organization having educational, agricultural or  
17 youth development purposes. Such leases shall be upon such terms as  
18 the director deems beneficial to the state. All rental funds received  
19 by the director under the provisions of this section shall be deposited

1 in the (~~"fair fund" provided in RCW 67.16.100~~) state fair account  
2 created under section 2 of this act.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 15.76 RCW  
4 to read as follows:

5 The state fair account is created in the custody of the state  
6 treasury. All moneys received by the department of agriculture for the  
7 purposes of this fund shall be deposited into the fund. Expenditures  
8 from the fund may be used only for assisting fairs in the manner  
9 provided in chapter 15.76 RCW. Only the director of agriculture or the  
10 director's designee may authorize expenditures from the fund. The fund  
11 is subject to allotment procedures under chapter 43.88 RCW, but no  
12 appropriation is required for expenditures.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.31 RCW  
14 to read as follows:

15 The state trade fair account is created in the custody of the state  
16 treasury. All moneys received by the department of community, trade,  
17 and economic development for the purposes of this fund shall be  
18 deposited into the fund. Expenditures from the fund may be used only  
19 for the purpose of assisting state trade fairs. Only the director of  
20 community, trade, and economic development or the director's designee  
21 may authorize expenditures from the fund. The fund is subject to  
22 allotment procedures under chapter 43.88 RCW, but no appropriation is  
23 required for expenditures.

24 **Sec. 4.** RCW 67.16.100 and 1995 c 399 s 166 are each amended to  
25 read as follows:

26 (1) All sums paid to the commission under this chapter, including  
27 those sums collected for license fees and excluding those sums  
28 collected under RCW 67.16.102(~~(7)~~) and 67.16.105(~~(3)~~), ~~and~~  
29 ~~67.16.105(4), shall be disposed of by the commission as follows:~~

30 ~~(a) Fifty percent thereof~~) shall be retained by the commission for  
31 the payment of the salaries of its members, secretary, clerical,  
32 office, and other help and all expenses incurred in carrying out the  
33 provisions of this chapter. ~~((No salary, wages, expenses, or~~  
34 ~~compensation of any kind shall be paid by the state in connection with~~  
35 ~~the work of the commission.~~

1       ~~(b) One percent shall, on the next business day following the~~  
2 ~~receipt thereof, be paid to the state treasurer to be deposited in the~~  
3 ~~general fund.~~

4       ~~(c) Three percent shall, on the next business day following the~~  
5 ~~receipt thereof, be paid to the state treasurer, who is hereby made ex~~  
6 ~~officio treasurer of a fund to be known as the "state trade fair fund"~~  
7 ~~which shall be maintained as a separate and independent fund, and made~~  
8 ~~available to the director of community, trade, and economic development~~  
9 ~~for the sole purpose of assisting state trade fairs.~~

10       ~~(d) Forty six percent shall be paid to the state treasurer, who is~~  
11 ~~hereby made ex officio treasurer of a fund to be known as the "fair~~  
12 ~~fund," which shall be maintained as a separate and independent fund~~  
13 ~~outside of the state treasury, and made available to the director of~~  
14 ~~agriculture for the sole purpose of assisting fairs in the manner~~  
15 ~~provided in Title 15 RCW.))~~

16       (2)(a) All sums paid to the commission under RCW 67.16.105 (1) and  
17 (2) shall be retained by the commission for the payment of the salaries  
18 of its members, secretary, clerical, office, and other help and all  
19 expenses incurred in carrying out the provisions of this chapter.

20       (b) Beginning July 1, 1998, all sums paid to the commission under  
21 RCW 67.16.105 (1) and (2) shall be paid to the state treasurer for  
22 deposit into the state fair account. Funds deposited under this  
23 section shall be expended as authorized under chapter 15.76 RCW.

24       (3) Any moneys collected or paid to the commission under the terms  
25 of this chapter and not expended at the close of the fiscal biennium  
26 shall be paid to the state treasurer and be placed in the general fund.  
27 The commission may, with the approval of the office of financial  
28 management, retain any sum required for working capital.

29       **Sec. 5.** RCW 67.16.105 and 1997 c 87 s 3 are each amended to read  
30 as follows:

31       (1) Licensees of race meets that are nonprofit in nature((~~7~~)) and  
32 are of ten days or less((~~7~~, and have an average daily handle of one  
33 hundred twenty thousand dollars or less)) shall ((withhold and pay to  
34 the commission daily for each authorized day of racing one half percent  
35 of)) be exempt from payment of a tax to the commission and the  
36 department based upon the ((daily)) gross receipts ((from all)) of its  
37 parimutuel machines at each race meet.

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

5 (a) If the (~~daily~~) gross receipts of all its in-state parimutuel  
6 machines are more than (~~two hundred fifty thousand~~) fifty million  
7 dollars in the previous calendar year, the licensee shall withhold and  
8 pay to the commission daily (~~two and one-half~~) 1.15 percent of the  
9 daily gross receipts; and

10 (b) If the (~~daily~~) gross receipts of all its in-state parimutuel  
11 machines are (~~two hundred fifty thousand~~) fifty million dollars or  
12 less in the previous calendar year, the licensee shall withhold and pay  
13 to the commission daily (~~one~~) 0.46 percent of the daily gross  
14 receipts.

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

25 **Sec. 6.** RCW 67.16.170 and 1991 c 270 s 8 are each amended to read  
26 as follows:

27 (1) Licensees of race meets that are nonprofit in nature(~~(7)) and~~  
28 are of ten days or less(~~(, and have an average daily handle of one~~  
29 ~~hundred twenty thousand dollars or less)) may retain daily for each~~  
30 authorized day of racing (~~(fourteen and one-half))~~ fifteen percent of  
31 daily gross receipts of all parimutuel machines at each race meet.

32 (2) Licensees of race meets that do not fall under subsection (1)  
33 of this section may retain daily for each authorized day of (~~rac~~)  
34 parimutuel wagering the following percentages from the daily gross  
35 receipts of all its in-state parimutuel machines (~~(at each race meet))~~:

36 (a) If the daily gross receipts of all its in-state parimutuel  
37 machines are more than (~~two hundred fifty thousand~~) fifty million

1 dollars in the previous calendar year, the licensee may retain daily  
2 (~~((twelve and one-half))~~) 13.85 percent of the daily gross receipts; and  
3 (b) If the daily gross receipts of all its in-state parimutuel  
4 machines are (~~((two hundred fifty thousand))~~) fifty million dollars or  
5 less in the previous calendar year, the licensee may retain daily  
6 (~~((fourteen))~~) 14.54 percent of the daily gross receipts.

7 NEW SECTION. Sec. 7. A new section is added to chapter 43.131 RCW  
8 to read as follows:

9 The reduction in parimutuel taxes and redistributions under  
10 sections 4 through 6 of this act shall be terminated June 30, 2001, as  
11 provided in section 8 of this act.

12 NEW SECTION. Sec. 8. A new section is added to chapter 43.131 RCW  
13 to read as follows:

14 The following acts or parts of acts are each repealed, effective  
15 June 30, 2002:

- 16 (1) 1998 c ... s 4 (section 4 of this act);  
17 (2) 1998 c ... s 5 (section 5 of this act); and  
18 (3) 1998 c ... s 6 (section 6 of this act).

19 NEW SECTION. Sec. 9. The sum of one million fifty-seven thousand  
20 dollars, or as much thereof as may be necessary, is appropriated for  
21 the fiscal year ending June 30, 1999, from the general fund to the  
22 state fair account solely for the purposes of chapter 15.76 RCW and  
23 section 2 of this act.

24 NEW SECTION. Sec. 10. The sum of one hundred seventy thousand  
25 dollars, or as much thereof as may be necessary, is appropriated for  
26 the fiscal year ending June 30, 1999, from the general fund to the  
27 state trade fair account solely for the purposes of RCW 43.31.830 and  
28 section 3 of this act.

29 NEW SECTION. Sec. 11. The sum of one million nine hundred  
30 thousand dollars, or as much thereof as may be necessary, is  
31 appropriated for the fiscal year ending June 30, 1999, from the general  
32 fund to the Washington horse racing commission solely for the purposes  
33 of chapter 67.16 RCW and section 4 of this act.

1        NEW SECTION.    **Sec. 12.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

5        NEW SECTION.    **Sec. 13.**    This act is necessary for the immediate  
6 preservation of the public peace, health, or safety, or support of the  
7 state government and its existing public institutions, and takes effect  
8 immediately.

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