

HOUSE BILL REPORT

HB 3045

As Reported By House Committee On:

Commerce & Labor

Title: An act relating to class 1 racing licenses.

Brief Description: Clarifying the requirements for a class 1 racing license.

Sponsors: Representatives Wood and Clements.

Brief History:

Committee Activity:

Commerce & Labor: 2/2/00, 2/3/00 [DPS].

Brief Summary of Substitute Bill

- Allows a class 1 horse racing association to count race days canceled for reasons beyond the control of the racing association in order to maintain its class 1 status.
- Changes requirements for class 1 racing associations to provide additional flexibility.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk; McIntire and McMorris.

Staff: Pam Madson (786-7166).

Background:

A class 1 racing association is a racing association, licensed by the Horse Racing Commission, that conducts live racing for at least 40 days during a consecutive 4-month period in any 12-month period. The commission may increase the number of live racing days required to maintain an association's class 1 racing status.

Only class 1 racing associations may simulcast out-of-state horse races to an in-state facility. When a racing association is conducting a live race meet, it may simulcast a limited number of out-of-state races on live race days and on two non-live race days each week. When no live race meet is being conducted at a race track, the racing association may simulcast racing for up to 12 hours a day, five days a week. A class 1 racing association may also export the signal from its own live races to out-of-state locations.

A class 1 racing association generates revenue from parimutuel wagering on races conducted live at its own racing facility and from races run in other states and simulcasted to the live in-state race track facility.

Summary of Substitute Bill:

A class 1 racing association is a horse racing licensee approved to conduct live racing at least 40 days during a 12-month period.

A racing association may simulcast races to the live track facility for up to 14 hours a day, five days a week during the non-race meet period where no live racing is being conducted.

If a live race is canceled due to acts of God, labor disruptions, or other circumstances beyond the control of the class 1 racing association, the canceled day counts toward the 40-day requirement for class 1 racing association status.

Substitute Bill Compared to Original Bill: A class 1 racing association is one that is approved to conduct racing rather than one that must be conducting live racing. The requirement that the 40 days of racing be conducted during four consecutive calendar months is deleted. The number of hours per day authorized for simulcasting during the non-race meet period is increased from 12 hours to 14 hours. A shortage of horses is not a specified reason allowing a canceled race day to count toward the 40 day requirement for class 1 racing status.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Lilac City Racing Association is licensed this year to race 43 days from September 18 through December 20. There is concern that the weather or other

occurrences beyond the control of the association may cause cancellation of race days that may risk its class 1 racing status. Race meets are scheduled from January to December. There may not be sufficient days remaining in the year to make up canceled race days to maintain the class 1 status. Simulcasting helps support the industry and without it, the track may not be able to stay in business. An increase from 12 hours to 14 hours allows races taking place on the east coast to be scheduled with races from the west coast during the same day.

Testimony Against: None

Testified: Ross Yearout and Todd Havens, Lilac City Racing Association.