

HOUSE BILL REPORT

SHB 1027

As Passed House:

March 9, 2001

Title: An act relating to the live horse racing compact.

Brief Description: Establishing the live horse racing compact.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Cairnes, Cody, Kenney, D. Schmidt and Dunn; by request of Horse Racing Commission).

Brief History:

Committee Activity:

Commerce & Labor: 1/23/01, 2/26/01 [DPS].

Floor Activity:

Passed House: 3/9/01, 96-0.

Brief Summary of Substitute Bill

- Authorizes the Washington Horse Racing Commission to participate in a multi-state committee that will create and issue a national license to participants in parimutuel horse racing.

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; Hunt, Kenney, Lisk and McMorris.

Staff: Sydney Forrester (786-7120).

Background:

The Washington Horse Racing Commission regulates parimutuel horse racing in Washington. The commission licenses horse racing associations and individuals. Licensing of individuals includes licensing of all persons who participate in racing at Washington tracks, including owners, jockeys, trainers, groomers, exercise riders, and

veterinarians.

Horse racing participants frequently travel from state-to-state to participate in various races and must apply for separate licensure in each state in which they participate. In 2000 the commission licensed approximately 4,000 individuals, of whom approximately 25 percent were out-of-state participants. Approximately 30 percent of licensed Washington-based owners and trainers race their horses in other states also.

In 1998 the Virginia Racing Commission, in consultation with the Federal Bureau of Investigation, initiated the effort to create a live horse racing interstate compact to develop a national licensing system. Five states (Delaware, Louisiana, Florida, Virginia, and West Virginia) have signed the compact.

Summary of Bill:

The Washington Horse Racing Commission is authorized to participate in a compact committee that will create and issue a national license to participants in live horse racing. One official from the commission will be appointed by the Governor to serve a four-year term on the compact committee. The expenses of the designated official must be paid by the state. Participating states are not liable for the committee's financial obligations.

The compact committee will have the power to:

- 1) determine the categories of participants to be licensed;
- 2) establish the licensure and renewal requirements for each category;
- 3) set license terms;
- 4) charge application and renewal fees;
- 5) investigate applicants and receive criminal history information necessary to determine if a license should be issued;
- 6) issue and renew licenses;
- 7) manage the business of the compact committee, including adopting bylaws, selecting officers, hiring employees, and entering into contracts; and
- 8) receive funds through grants, appropriations, and gifts.

The effect of a criminal history on the issuance or renewal of a license will be based on standards equal to the most stringent standards applied by any member state. The committee does not have the power to deny a license. If the committee determines an applicant is not eligible for a national license, the committee must notify the applicant that the committee can not process the application further. The applicant may submit additional evidence to the committee, and the applicant also may apply to be licensed in the individual states. Participating states may not penalize applicants based solely on a decision of the committee.

By enacting the compact, Washington agrees to accept the decisions of the committee in

issuing licenses. Washington reserves the right to charge a fee for the use of a national license at Washington tracks, and the right to apply Washington standards in determining whether a national license should be revoked or suspended.

Washington may withdraw from the compact by enacting a statute repealing the compact.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: (Original bill) The commission needs the ability to perform background checks and this bill provides a means to do criminal investigations at all levels to ensure no corruption enters the industry. The standards for a national license are high. A national license will help the industry by streamlining the licensing process for out-of-state participants and for Washington residents who race in other states.

Testimony Against: (Original bill) None.

Testified: (In favor of original bill) Dolores Sibonga, Chair of Washington Horse Racing Commission; and Mike McLaughlin, Director of Operations, Washington Horse Racing Commission.