

HOUSE BILL REPORT

HB 2040

As Reported by House Committee On:

Commerce & Labor

Title: An act relating to changing from five years to fifteen years the time that certain amounts are awarded to owners and breeders.

Brief Description: Changing from five years to fifteen years the time that certain amounts are awarded to owners and breeders.

Sponsors: Representatives Cody, Clements, Wood, Lisk, Cairnes, Roach, Hurst and Quall.

Brief History:

Committee Activity:

Commerce & Labor: 2/26/01, 2/27/01 [DP].

Brief Summary of Bill

- The distribution of moneys from the owners' fund and the breeders' fund to race track owners is authorized for an additional 10 years.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: 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:

A for-profit racing association licensed by the Washington Horse Racing Commission is required to withhold a percentage of its wagers for the purpose of distribution to specific funds.

The Owners' Fund: A racing association withholds 1 percent of gross parimutuel wagers. The commission distributes one-half of this amount to the owners of Washington-bred horses finishing first, second, third, or fourth in meet races. The second half is distributed to race track owners.

The Breeders' Fund: A racing association withholds 1 percent of total multiple wagers. The commission distributes 75 percent of this amount to the breeders of Washington-bred first-place finishers. The remaining 25 percent is retained by track owners.

In 1991 the Legislature authorized these distributions from the owners' fund and the breeders' fund to newly licensed race track owners for a period of five years. At the time there was no race track in western Washington, and the purpose was to provide an incentive for new track development by creating a means of defraying construction costs. The five-year distribution period ends June 2001. An additional 10 years remain on the mortgage of the western Washington race track.

Summary of Bill:

The distribution of moneys from the owners' fund and the breeders' fund to race track owners is authorized for an additional 10 years.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Owners and breeders are in favor of this measure to continue supporting race track owners. Despite the state of the thoroughbred industry, substantial amounts are being distributed to owners and breeders, however, race track owners continue to struggle. The financial condition of race tracks is not expected to change in the foreseeable future. The horse racing industry is a highly regulated industry that comes together to help itself. The Washington Breeders Association board of directors voted unanimously to support this measure.

Testimony Against: None.

Testified: (In support) Representative Cody, Ex Officio Member of the Washington Horse Racing Commission; Jim Halstrom, Northwest Racing Association; Ralph Vacca, Washington Trainers and Breeders Association; Larry Hillis, Washington Horsemen's Benevolent Protective Association; and Charlie Brown, Washington Horsemen's Benevolent Protective Association.