

SENATE BILL REPORT

ESSB 6481

As Passed Senate, February 13, 2004

Title: An act relating to governing class 1 racing associations' authority to participate in parimutuel wagering.

Brief Description: Governing class 1 racing associations' authority to participate in parimutuel wagering.

Sponsors: Senate Committee on Commerce & Trade (originally sponsored by Senators Hewitt, Jacobsen, Deccio, Rasmussen and Honeyford).

Brief History:

Committee Activity: Commerce & Trade: 2/5/04 [DPS].

Passed Senate: 2/13/04, 38-10.

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 6481 be substituted therefor, and the substitute bill do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

Staff: John Dzedzic (786-7784)

Background: The Horse Racing Commission regulates parimutuel wagering on horse race meets and defines a class 1 racing association as one owning and operating its own race facility with at least 40 days of racing each year. Currently, there is one class 1 racing association operating in Washington: Emerald Downs in Auburn.

In addition to being authorized to conduct "live" horse races at the track in Auburn, the class 1 racing association is also permitted (a) to send or transmit simulcasts of live horse races conducted at the Auburn facility to other licensed racing associations within Washington, plus to one satellite location in each county, and race tracks outside of the state; and (b) to receive or import simulcast live horse races from out-of-state racing facilities. Parimutuel wagering on imported simulcasts is limited to 14 hours during any 24-hour period. In most instances, one imported simulcast race may be sent to satellite locations each day that live horse races are conducted at the live racing facility.

No Washington statute currently authorizes a person in this state to place a wager on a licensed horse race within or outside of this state over the phone or other off-track electronic means.

Summary of Bill: The limitations on the number of imported simulcast races that may be received are deleted, with respect to any class 1 racing association that has been in operation for at least one full racing season. The 14 hours-per-day limit on wagering on imported

simulcast races at a live racing facility is removed, as is the limit on the number of imported simulcast races that may be sent to satellite locations.

Advance deposit wagering on horse races within the authority of a class 1 racing association is allowed. Advance deposit wagering is defined as a form of parimutuel wagering in which an individual deposits money in an account with an entity authorized by the commission, and the account funds are then used to pay for parimutuel wagers made in person, by telephone or through communication by other electronic means.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Although surveys show that the popularity of horse racing is steadily increasing, the amount wagered at Emerald Downs has been decreasing in recent years. This decline impacts not only Emerald Downs, but also the Horse Racing Commission, horse breeders, and the entire equine industry in Washington. Studies indicate that the vast majority of wagers on horse racing, nationwide, are now placed through account wagering, via the internet and other electronic means. 17 of the 42 states that allow parimutuel betting on horse racing permit account wagering.

Testimony Against: None.

Testified: Ron Crockett, Jim Halstrom, Northwest Racing Assoc. (Emerald Downs); Greg Avioli, National Thoroughbred Racing Assoc.; Robert Leichner, WA Horse Racing Commission; Mary Ann O'Connell, WA Horsemen's Benevolent and Protective Association.

House Amendment(s): An entity offering advance deposit wagering on horse racing is prohibited from extending credit to participants, must verify the identity, residence and age of a person establishing an account, and may not allow anyone under the age of 21 to open, own, or have access to an advance deposit wagering account. The provisions authorizing account deposit wagering expire on October 1, 2007.

Simulcasting of races outside of a class 1 racing association may occur only at approved satellite locations. The Horse Racing Commission may, by rule, reduce the minimum requirements for a new class 1 association to become eligible to simulcast races outside of the facility.

Members of the Horse Racing Commission are prohibited from placing wagers on horse races conducted under the commission's authority.