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SENATE BILL 6481

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State of Washington                      58th Legislature                      2004 Regular Session

By Senators Hewitt, Jacobsen, Deccio, Rasmussen and Honeyford

Read first time 01/21/2004. Referred to Committee on Commerce & Trade.

1            AN ACT Relating to governing class 1 racing associations' authority  
2 to participate in parimutuel wagering; amending RCW 67.16.200; and  
3 adding a new section to chapter 67.16 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 67.16 RCW  
6 to read as follows:

7            (1) The horse racing commission shall adopt rules regulating  
8 advance deposit wagering and shall authorize advance deposit wagering  
9 to be conducted by a licensed class 1 racing association operating a  
10 live horse racing facility or the operator of an advance deposit  
11 wagering system accepting wagers pursuant to an agreement with a  
12 licensed class 1 racing association.

13            (2) No system of advance deposit wagering located outside of or  
14 within the state of Washington may accept wagers from residents or  
15 other persons located within this state, nor shall residents or other  
16 persons located within this state place wagers through advance deposit  
17 wagering systems, except with the permission of and pursuant to an  
18 agreement with a licensed class 1 racing association. Advance deposit

1 wagering may be accepted for races conducted in the state of Washington  
2 under a class 1 license or races not conducted within the state of  
3 Washington on a schedule approved by the class 1 licensee.

4 (3) As used in this section, "advance deposit wagering" means a  
5 form of parimutuel wagering in which an individual may deposit money in  
6 an account with a licensed class 1 racing association, or with the  
7 operator of an advance deposit wagering system operating pursuant to an  
8 agreement with a licensed class 1 racing association, and then the  
9 account balance is used to pay for parimutuel wagers made in person, by  
10 telephone, or communication by other electronic means.

11 (4) In order to participate in advance deposit wagering, the holder  
12 of a class 1 racing association license must have conducted at least  
13 one full live racing season. All class 1 racing associations must  
14 complete a live race meet within each succeeding twelve-month period to  
15 maintain eligibility to continue participating in advance deposit  
16 wagering.

17 (5) When more than one class 1 racing association is participating  
18 in advance deposit wagering the moneys paid to the racing associations  
19 shall be allocated proportionate to the gross amount of parimutuel  
20 wagering each twelve-month period on the associations' live race meet.  
21 This percentage must be calculated annually. Revenue derived from  
22 advance deposit wagers placed on races conducted by the class 1 racing  
23 association shall all be allocated to that association.

24 **Sec. 2.** RCW 67.16.200 and 2001 1st sp.s. c 10 s 2 are each amended  
25 to read as follows:

26 (1) A class 1 racing association licensed by the commission to  
27 conduct a race meet may seek approval from the commission to conduct  
28 parimutuel wagering (~~((on its program))~~) at a satellite location or  
29 locations within the state of Washington. In order to participate in  
30 parimutuel wagering at a satellite location or locations within the  
31 state of Washington, the holder of a class 1 racing association license  
32 must have conducted at least one full live racing season. All class 1  
33 racing associations must hold a live race meet within each succeeding  
34 twelve-month period to maintain eligibility to continue to participate  
35 in parimutuel wagering at a satellite location or locations. The sale  
36 of parimutuel pools at satellite locations shall be conducted (~~((only~~  
37 ~~during the licensee's race meet and))~~) simultaneous to all parimutuel

1 wagering activity conducted at the licensee's live racing facility in  
2 the state of Washington. The commission's authority to approve  
3 satellite wagering at a particular location is subject to the following  
4 limitations:

5 (a) The commission may approve (~~only one~~) satellite locations  
6 (~~in each county~~) in the state; however, the commission may grant  
7 approval for more than one licensee to conduct wagering at each  
8 satellite location. A satellite location shall not be operated within  
9 twenty driving miles of any class 1 racing facility. For the purposes  
10 of this section, "driving miles" means miles measured by the most  
11 direct route as determined by the commission; and

12 (b) A licensee shall not conduct satellite wagering at any  
13 satellite location within sixty driving miles of any other racing  
14 facility conducting a live race meet.

15 (2) Subject to local zoning and other land use ordinances, the  
16 commission shall be the sole judge of whether approval to conduct  
17 wagering at a satellite location shall be granted.

18 (3) The licensee shall combine the parimutuel pools of the  
19 satellite location with those of the racing facility for the purpose of  
20 determining odds and computing payoffs. The amount wagered at the  
21 satellite location shall be combined with the amount wagered at the  
22 racing facility for the application of take out formulas and  
23 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and  
24 67.16.175. A satellite extension of the licensee's racing facility  
25 shall be subject to the same application of the rules of racing as the  
26 licensee's racing facility.

27 (4) Upon written application to the commission, a class 1 racing  
28 association may be authorized to transmit simulcasts of live horse  
29 races conducted at its racetrack to locations outside of the state of  
30 Washington approved by the commission and in accordance with the  
31 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or  
32 any other applicable laws. The commission may permit parimutuel pools  
33 on the simulcast races to be combined in a common pool. A racing  
34 association that transmits simulcasts of its races to locations outside  
35 this state shall pay at least fifty percent of the fee that it receives  
36 for sale of the simulcast signal to the horsemen's purse account for  
37 its live races after first deducting the actual cost of sending the  
38 signal out of state.

1 (5) Upon written application to the commission, a class 1 racing  
2 association may be authorized to transmit simulcasts of live horse  
3 races conducted at its racetrack to licensed racing associations  
4 located within the state of Washington and approved by the commission  
5 for the receipt of the simulcasts. The commission shall permit  
6 parimutuel pools on the simulcast races to be combined in a common  
7 pool. The fee for in-state, track-to-track simulcasts shall be five  
8 and one-half percent of the gross parimutuel receipts generated at the  
9 receiving location and payable to the sending racing association. A  
10 racing association that transmits simulcasts of its races to other  
11 licensed racing associations shall pay at least fifty percent of the  
12 fee that it receives for the simulcast signal to the horsemen's purse  
13 account for its live race meet after first deducting the actual cost of  
14 sending the simulcast signal. A racing association that receives races  
15 simulcast from class 1 racing associations within the state shall pay  
16 at least fifty percent of its share of the parimutuel receipts to the  
17 horsemen's purse account for its live race meet after first deducting  
18 the purchase price and the actual direct costs of importing the race.

19 (6) A class 1 racing association may be allowed to import  
20 simulcasts of horse races from out-of-state racing facilities. With  
21 the prior approval of the commission, the class 1 racing association  
22 may participate in an interstate common pool and may change its  
23 commission and breakage rates to achieve a common rate with other  
24 participants in the common pool.

25 (a) The class 1 racing association shall make written application  
26 with the commission for permission to import simulcast horse races for  
27 the purpose of parimutuel wagering. Subject to the terms of this  
28 section, the commission is the sole authority in determining whether to  
29 grant approval for an imported simulcast race.

30 ~~(b) ((A licensed racing association may also be approved to import  
31 one simulcast race of regional or national interest on each live race  
32 day.~~

33 ~~(c) The commission may allow simulcast races of regional or  
34 national interest to be sent to satellite locations. The simulcasts  
35 shall be limited to one per day except for Breeder's Cup special events  
36 day.~~

37 ~~(d))~~ When open for parimutuel wagering, a class 1 racing  
38 association which imports simulcast races shall also conduct simulcast

1 parimutuel wagering within its licensed racing enclosure on all races  
2 simulcast from other class 1 racing associations within the state of  
3 Washington.

4 ~~((e) The conduct of parimutuel wagering on imported simulcast~~  
5 ~~races shall be for not more than fourteen hours during any twenty four~~  
6 ~~hour period, for not more than five days per week and only at the live~~  
7 ~~racing facility of a class 1 racing association.~~

8 ~~(f))~~ (c) On any imported simulcast race, the class 1 racing  
9 association shall pay fifty percent of its share of the parimutuel  
10 receipts to the horsemen's purse account for its live race meet after  
11 first deducting the purchase price of the imported race and the actual  
12 costs of importing and offering the race.

13 (7) For purposes of this section, a class 1 racing association is  
14 defined as a licensee approved by the commission to conduct during each  
15 twelve-month period at least forty days of live racing. If a live race  
16 day is canceled due to reasons directly attributable to acts of God,  
17 labor disruptions affecting live race days but not directly involving  
18 the licensee or its employees, or other circumstances that the  
19 commission decides are beyond the control of the class 1 racing  
20 association, then the canceled day counts toward the forty-day  
21 requirement. The commission may by rule increase the number of live  
22 racing days required to maintain class 1 racing association status or  
23 make other rules necessary to implement this section.

24 (8) This section does not establish a new form of gaming in  
25 Washington or allow expanded gaming within the state beyond what has  
26 been previously authorized. Simulcast wagering has been allowed in  
27 Washington before April 19, 1997. Therefore, this section does not  
28 allow gaming of any nature or scope that was prohibited before April  
29 19, 1997. This section is necessary to protect the Washington equine  
30 breeding and racing industries, and in particular those sectors of  
31 these industries that are dependent upon live horse racing. The  
32 purpose of this section is to protect these industries from adverse  
33 economic impacts and to promote fan attendance at class 1 racing  
34 facilities. ~~((Therefore, imported simulcast race card programs shall~~  
35 ~~not be disseminated to any location outside the live racing facility of~~  
36 ~~the class 1 racing association and a class 1 racing association is~~  
37 ~~strictly prohibited from simulcasting imported race card programs to~~  
38 ~~any location outside its live racing facility.)) Therefore, a licensed~~

1 class 1 racing association may be approved to disseminate imported  
2 simulcast race card programs to locations outside the live racing  
3 facility of the class 1 racing association, provided that the class 1  
4 racing association has conducted at least forty live racing days with  
5 an average on-track handle on the live racing product of a minimum of  
6 one hundred fifty thousand dollars per day during the twelve months  
7 immediately preceding the application date.

8 (9) A licensee conducting simulcasting under this section shall  
9 place signs in the licensee's gambling establishment under RCW  
10 9.46.071. The informational signs concerning problem and compulsive  
11 gambling must include a toll-free telephone number for problem and  
12 compulsive gamblers and be developed under RCW 9.46.071.

13 (10) Chapter 10, Laws of 2001 1st sp. sess. does not establish a  
14 new form of gaming in Washington or allow expanded gaming within the  
15 state beyond what has been previously authorized. Simulcast wagering  
16 has been allowed in Washington before August 23, 2001. Therefore, this  
17 section does not allow gaming of any nature or scope that was  
18 prohibited before August 23, 2001. Chapter 10, Laws of 2001 1st sp.  
19 sess. is necessary to protect the Washington equine breeding and racing  
20 industries, and in particular those sectors of these industries that  
21 are dependent upon live horse racing. The purpose of chapter 10, Laws  
22 of 2001 1st sp. sess. is to protect these industries from adverse  
23 economic impacts and to promote fan attendance at class 1 racing  
24 facilities. ((Therefore, imported simulcast race card programs shall  
25 not be disseminated to any location outside the live racing facility of  
26 the class 1 racing association and a class 1 racing association is  
27 strictly prohibited from simulcasting imported race card programs to  
28 any location outside its live racing facility.))

29 (11) If a state or federal court makes a finding that the increase  
30 in the number of imported simulcast races that may be authorized under  
31 chapter 10, Laws of 2001 1st sp. sess. is an expansion of gaming beyond  
32 that which is now allowed, chapter 10, Laws of 2001 1st sp. sess. is  
33 null and void.

34 (12) If any provision of chapter 10, Laws of 2001 1st sp. sess. or  
35 its application to any person or circumstance is held invalid, the  
36 remainder of chapter 10, Laws of 2001 1st sp. sess. or the application

1 of the provision to other persons or circumstances is also invalid.

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