

# FINAL BILL REPORT

## SSB 6382

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Synopsis as Enacted

**Brief Description:** Authorizing the Washington horse racing commission to expend a statutorily limited amount of its operating funds for the development of the equine industry, improvement of racing facilities, and equine health research.

**Sponsors:** Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Hewitt, Kohl-Welles, Rasmussen, Finkbeiner, Pflug and Sheldon; by request of Horse Racing Commission).

**Senate Committee on Labor, Commerce, Research & Development**  
**House Committee on Commerce & Labor**

**Background:** The Horse Racing Commission (HRC) has the dual responsibility of regulating horse racing and encouraging the equine industry in Washington. HRC currently authorizes parimutuel betting on horse race meets at one Class A (for-profit, owner-operated) facility, Emerald Downs in Auburn and four Class C (nonprofit, ten days or less of racing per year) tracks in Kennewick, Waitsburg, Walla Walla, and Dayton.

HRC's operations are financed primarily through a tax of 1.30 percent on the daily gross receipts of the Class A race track, with the remainder generated from licensing fees and fines imposed for regulatory violations.

An additional 1 percent tax is levied on the daily gross receipts of the Class A race track. Funds raised by this tax are annually distributed equally to: (1) owners of Washington-bred horses that either finish fourth or better at a Class A race meet; and (2) offset part of the capital construction costs of the licensee's new track. Interest earned on these funds supports small race tracks.

Another one-tenth of 1 percent tax is also levied on the gross receipts of the Class A race track, and is used to add to the prize money paid at Class C race meets that have been in operation for five or more years. Annually, HRC must distribute \$300,000 for this purpose, with HRC's operating account responsible for any difference between \$300,000 and the amount raised by the tax. In recent years, the difference has been about \$150,000 per year.

**Summary:** When sufficient funds exist, HRC is authorized to expend, after appropriation, up to \$300,000 per fiscal year to help upgrade nonprofit racing facilities, and assist in equine health research.

**Votes on Final Passage:**

Senate	43	1
House	94	3

**Effective:** June 7, 2006