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**SUBSTITUTE HOUSE BILL 2678**

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**State of Washington**

**61st Legislature**

**2010 Regular Session**

**By** House Commerce & Labor (originally sponsored by Representatives Quall, Priest, Simpson, Sullivan, and Conway; by request of Horse Racing Commission)

READ FIRST TIME 01/26/10.

1       AN ACT Relating to modifying distributions of funds by the horse  
2 racing commission to nonprofit race meets; and amending RCW 67.16.105.

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

4       **Sec. 1.** RCW 67.16.105 and 2004 c 246 s 7 are each amended to read  
5 as follows:

6       (1) Licensees of race meets that are nonprofit in nature and are of  
7 ten days or less shall be exempt from payment of a parimutuel tax.

8       (2) Licensees that do not fall under subsection (1) of this section  
9 shall withhold and pay to the commission daily for each authorized day  
10 of parimutuel wagering the following applicable percentage of all daily  
11 gross receipts from its in-state parimutuel machines:

12       (a) If the gross receipts of all its in-state parimutuel machines  
13 are more than fifty million dollars in the previous calendar year, the  
14 licensee shall withhold and pay to the commission daily 1.30 percent of  
15 the daily gross receipts; and

16       (b) If the gross receipts of all its in-state parimutuel machines  
17 are fifty million dollars or less in the previous calendar year, the  
18 licensee shall withhold and pay to the commission daily 1.803 percent  
19 of the daily gross receipts.

1       (3)(a) In addition to those amounts in subsection (2) of this  
2 section, a licensee shall forward one-tenth of one percent of the daily  
3 gross receipts of all its in-state parimutuel machines to the  
4 commission for payment to those nonprofit race meets as set forth in  
5 RCW 67.16.130 and subsection (1) of this section, but said percentage  
6 shall not be charged against the licensee.

7       (b) Payments to nonprofit race meets under this subsection shall be  
8 distributed on a ~~((pro-rata))~~ per-race-day basis and used only for  
9 purses at race tracks that have been operating under RCW 67.16.130 and  
10 subsection (1) of this section for the five consecutive years  
11 immediately preceding the year of payment.

12       (c) As provided in this subsection, the commission shall  
13 ((transfer)) distribute funds equal to fifteen thousand eight hundred  
14 dollars per race day from funds generated under ((subsection (2) of  
15 this section equal to the difference between:

16       ~~(a)(i) Funds collected under this subsection (3);~~

17       ~~(ii) Interest earned from the Washington horse racing commission~~  
18 ~~operating account created in RCW 67.16.280; and~~

19       ~~(iii) Fines imposed by the board of stewards in a calendar year;~~  
20 ~~and~~

21       ~~(b) Three hundred thousand dollars;~~  
22 ~~and distribute that amount under)) this subsection (3).~~

23       (4) If the funds generated under subsection (3) of this section are  
24 not sufficient to fund purses equal to fifteen thousand eight hundred  
25 dollars per race day, the commission is authorized to fund these purses  
26 from the following in the order provided below:

27       (a) First from fines imposed by the board of stewards and the  
28 commission in a calendar year;

29       (b) Second from a commission approved percentage of any source  
30 market fee generated from advance deposit wagering as authorized in RCW  
31 67.16.260;

32       (c) Third from interest earned from the Washington horse racing  
33 commission operating account created in RCW 67.16.280; and

34       (d) Fourth from the Washington horse racing commission operating  
35 account created in RCW 67.16.280.

36       (5) Funds generated under subsection (3) of this section that are  
37 in excess of fifteen thousand eight hundred dollars per race day must

1 be returned to the licensee or licensees from which the funds were  
2 collected.

3 (6) Funds generated from any of the sources listed in subsection  
4 (4) of this section that are not needed in a calendar year to fund  
5 purses under subsection (3) of this section must be deposited in the  
6 Washington horse racing commission operating account.

7 ~~((+4))~~ (7) Beginning July 1, 1999, at the conclusion of each  
8 authorized race meet, the commission shall calculate the mathematical  
9 average daily gross receipts of parimutuel wagering that is conducted  
10 only at the physical location of the live race meet at those race meets  
11 of licensees with gross receipts of all their in-state parimutuel  
12 machines of more than fifty million dollars. Such calculation shall  
13 include only the gross parimutuel receipts from wagering occurring on  
14 live racing dates, including live racing receipts and receipts derived  
15 from one simulcast race card that is conducted only at the physical  
16 location of the live racing meet, which, for the purposes of this  
17 subsection, is "the handle." If the calculation exceeds eight hundred  
18 eighty-six thousand dollars, the licensee shall within ten days of  
19 receipt of written notification by the commission forward to the  
20 commission a sum equal to the product obtained by multiplying 0.6  
21 percent by the handle. Sums collected by the commission under this  
22 subsection shall be forwarded on the next business day following  
23 receipt thereof to the state treasurer to be deposited in the fair fund  
24 created in RCW 15.76.115.

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