
SENATE BILL 5125

State of Washington

61st Legislature

2009 Regular Session

By Senators Hewitt and Kohl-Welles; by request of Horse Racing Commission

Read first time 01/14/09. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to the Washington horse racing commission
2 Washington bred owners' bonus fund and breeder awards account; amending
3 RCW 67.16.102, 67.16.175, and 67.16.275; reenacting and amending RCW
4 43.79A.040; and providing an effective date.

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

6 **Sec. 1.** RCW 67.16.102 and 2004 c 246 s 6 are each amended to read
7 as follows:

8 (1) Notwithstanding any other provision of chapter 67.16 RCW to the
9 contrary, the licensee shall withhold and shall pay daily to the
10 commission, in addition to the percentages authorized by RCW 67.16.105,
11 one percent of the gross receipts of all parimutuel machines at each
12 race meet which sums shall, at the end of each meet, be paid by the
13 commission to the licensed owners of those Washington bred only horses
14 finishing first, second, third, and fourth (~~Washington bred only~~) at
15 each meet from which the additional one percent is derived in
16 accordance with an equitable distribution formula to be promulgated by
17 the commission prior to the commencement of each race meet: PROVIDED,
18 That nothing in this section shall apply to race meets which are

1 nonprofit in nature, are of ten days or less, and have an average daily
2 handle of less than one hundred twenty thousand dollars.

3 (2) The additional one percent specified in subsection (1) of this
4 section shall be deposited by the commission in the Washington horse
5 racing commission Washington bred owners' bonus fund and breeder awards
6 account created in RCW 67.16.275. The interest derived from this
7 account shall be distributed annually on an equal basis to those race
8 courses at which independent race meets are held which are nonprofit in
9 nature and are of ten days or less. Prior to receiving a payment under
10 this subsection, any new race course shall meet the qualifications set
11 forth in this section for a period of two years. All funds distributed
12 under this subsection shall be used for the purpose of maintaining and
13 upgrading the respective racing courses and equine quartering areas of
14 said nonprofit meets.

15 (3) The commission shall not permit the licensees to take into
16 consideration the benefits derived from this section in establishing
17 purses.

18 (4) The commission is authorized to pay at the end of the calendar
19 year one-half of the one percent collected from a new licensee under
20 subsection (1) of this section for reimbursement of capital
21 construction of that new licensee's new race track for a period of
22 fifteen years. This reimbursement does not include interest earned on
23 that one-half of one percent and such interest shall continue to be
24 collected and disbursed as provided in RCW 67.16.101 and subsection (1)
25 of this section.

26 **Sec. 2.** RCW 67.16.175 and 2001 c 53 s 2 are each amended to read
27 as follows:

28 (1) In addition to the amounts authorized to be retained in RCW
29 67.16.170, race meets may retain daily for each authorized day of
30 racing an additional six percent of the daily gross receipts of all
31 parimutuel machines from exotic wagers at each race meet.

32 (2) Except as provided in subsection (3) of this section, of the
33 amounts retained in subsection (1) of this section, one-sixth shall be
34 ((used)) paid to the commission at the end of the race meet for deposit
35 in the Washington horse racing commission Washington bred owners' bonus
36 fund and breeder awards account created in RCW 67.16.275. Such amounts

1 shall be used by the commission for Washington bred breeder awards, in
2 accordance with the rules and qualifications adopted by the commission.

3 (3) Of the amounts retained for breeder awards under subsection (2)
4 of this section, twenty-five percent shall be retained by a new
5 licensee for reimbursement of capital construction of the new
6 licensee's new race track for a period of fifteen years.

7 (4) As used in this section, "exotic wagers" means any multiple
8 wager. Exotic wagers are subject to approval of the commission.

9 **Sec. 3.** RCW 67.16.275 and 2004 c 246 s 2 are each amended to read
10 as follows:

11 The Washington horse racing commission Washington bred owners'
12 bonus fund and breeder awards account is created in the custody of the
13 state treasurer. All receipts collected by the commission under RCW
14 67.16.102(1) and 67.16.175(2) must be deposited into the account.
15 Expenditures from the account may be used only as authorized in RCW
16 67.16.102 and 67.16.175. Only the secretary of the commission or the
17 secretary's designee may authorize expenditures from the account. The
18 account is subject to allotment procedures under chapter 43.88 RCW, but
19 an appropriation is not required for expenditures.

20 **Sec. 4.** RCW 43.79A.040 and 2008 c 239 s 9, 2008 c 208 s 9, 2008 c
21 128 s 20, and 2008 c 122 s 24 are each reenacted and amended to read as
22 follows:

23 (1) Money in the treasurer's trust fund may be deposited, invested,
24 and reinvested by the state treasurer in accordance with RCW 43.84.080
25 in the same manner and to the same extent as if the money were in the
26 state treasury.

27 (2) All income received from investment of the treasurer's trust
28 fund shall be set aside in an account in the treasury trust fund to be
29 known as the investment income account.

30 (3) The investment income account may be utilized for the payment
31 of purchased banking services on behalf of treasurer's trust funds
32 including, but not limited to, depository, safekeeping, and
33 disbursement functions for the state treasurer or affected state
34 agencies. The investment income account is subject in all respects to
35 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer shall distribute the earnings
4 credited to the investment income account to the state general fund
5 except under (b) and (c) of this subsection.

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington promise
9 scholarship account, the college savings program account, the
10 Washington advanced college tuition payment program account, the
11 agricultural local fund, the American Indian scholarship endowment
12 fund, the foster care scholarship endowment fund, the foster care
13 endowed scholarship trust fund, the students with dependents grant
14 account, the basic health plan self-insurance reserve account, the
15 contract harvesting revolving account, the Washington state combined
16 fund drive account, the commemorative works account, the Washington
17 international exchange scholarship endowment fund, the toll collection
18 account, the developmental disabilities endowment trust fund, the
19 energy account, the fair fund, the family leave insurance account, the
20 food animal veterinarian conditional scholarship account, the fruit and
21 vegetable inspection account, the future teachers conditional
22 scholarship account, the game farm alternative account, the GET ready
23 for math and science scholarship account, the grain inspection
24 revolving fund, the juvenile accountability incentive account, the law
25 enforcement officers' and firefighters' plan 2 expense fund, the local
26 tourism promotion account, the pilotage account, the produce railcar
27 pool account, the regional transportation investment district account,
28 the rural rehabilitation account, the stadium and exhibition center
29 account, the youth athletic facility account, the self-insurance
30 revolving fund, the sulfur dioxide abatement account, the children's
31 trust fund, the Washington horse racing commission Washington bred
32 owners' bonus fund and breeder awards account, the Washington horse
33 racing commission class C purse fund account, the individual
34 development account program account, the Washington horse racing
35 commission operating account (earnings from the Washington horse racing
36 commission operating account must be credited to the Washington horse
37 racing commission class C purse fund account), the life sciences
38 discovery fund, the Washington state heritage center account, the

1 reduced cigarette ignition propensity account, and the reading
2 achievement account. However, the earnings to be distributed shall
3 first be reduced by the allocation to the state treasurer's service
4 fund pursuant to RCW 43.08.190.

5 (c) The following accounts and funds shall receive eighty percent
6 of their proportionate share of earnings based upon each account's or
7 fund's average daily balance for the period: The advanced right-of-way
8 revolving fund, the advanced environmental mitigation revolving
9 account, the city and county advance right-of-way revolving fund, the
10 federal narcotics asset forfeitures account, the high occupancy vehicle
11 account, the local rail service assistance account, and the
12 miscellaneous transportation programs account.

13 (5) In conformance with Article II, section 37 of the state
14 Constitution, no trust accounts or funds shall be allocated earnings
15 without the specific affirmative directive of this section.

16 NEW SECTION. **Sec. 5.** Section 4 of this act takes effect August 1,
17 2009.

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