
ENGROSSED SUBSTITUTE SENATE BILL 5747

State of Washington

62nd Legislature

2011 Regular Session

By Senate Labor, Commerce & Consumer Protection (originally sponsored by Senators Hewitt, Kohl-Welles, and Conway)

READ FIRST TIME 02/21/11.

1 AN ACT Relating to Washington horse racing funds; amending RCW
2 67.16.105 and 67.16.280; and declaring an emergency.

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

4 **Sec. 1.** RCW 67.16.105 and 2010 c 39 s 1 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~~) are exempt from payment of a parimutuel
8 tax.

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

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

18 (b) If the gross receipts of all its in-state parimutuel machines

1 are fifty million dollars or less in the previous calendar year, the
2 licensee (~~shall~~) must withhold and pay to the commission daily 1.803
3 percent of the daily gross receipts.

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

10 (b) Payments to nonprofit race meets under this subsection
11 (~~shall~~) must be distributed on a per-race-day basis and used only for
12 purses at race tracks that have been operating under RCW 67.16.130 and
13 subsection (1) of this section in 2010 or for the five consecutive
14 years immediately preceding the year of payment.

15 (c) As provided in this subsection, the commission (~~shall~~) must
16 distribute funds (~~equal~~) up to fifteen thousand eight hundred dollars
17 per race day from funds generated under this subsection (3).

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

22 (~~(a) First from fines imposed by the board of stewards and the
23 commission in a calendar year;~~

24 (~~(b) Second from a commission approved percentage of any source
25 market fee generated from advance deposit wagering as authorized in RCW
26 67.16.260;~~

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

29 (~~(d) Fourth from the Washington horse racing commission operating
30 account created in RCW 67.16.280.~~

31 (~~(5) Funds generated under subsection (3) of this section that are
32 in excess of fifteen thousand eight hundred dollars per race day must
33 be returned to the licensee or licensees from which the funds were
34 collected.~~

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

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

19 **Sec. 2.** RCW 67.16.280 and 2006 c 174 s 1 are each amended to read
20 as follows:

21 (1) The Washington horse racing commission operating account is
22 created in the custody of the state treasurer. All receipts collected
23 by the commission under RCW 67.16.105(2) must be deposited into the
24 account. The commission has the authority to receive such gifts,
25 grants, and endowments from public or private sources as may be made
26 from time to time in trust or otherwise for the use and purpose of
27 regulating or supporting nonprofit race meets as set forth in RCW
28 67.16.130 and 67.16.105(1); such gifts, grants, and endowments must
29 also be deposited into the account and expended according to the terms
30 of such gift, grant, or endowment. Moneys in the account may be spent
31 only after appropriation. Except as provided in subsection (2) of this
32 section, expenditures from the account may be used only for operating
33 expenses of the commission. Investment earnings from the account
34 (~~(must be distributed to)~~) will be retained in the Washington horse
35 racing commission (~~(class C purse fund)~~) operating account, (~~(created~~
36 ~~in RCW 67.16.285,)~~) pursuant to RCW 43.79A.040.

1 (2) In order to provide funding in support of the legislative
2 findings in RCW 67.16.101 (1) through (3), and to provide additional
3 necessary support to the nonprofit race meets beyond the funding
4 provided by RCW 67.16.101(4) and 67.16.102(2), the commission is
5 authorized to spend up to three hundred thousand dollars per fiscal
6 year from its operating account for the purpose of developing the
7 equine industry, maintaining and upgrading racing facilities, and
8 assisting equine health research. When determining how to allocate the
9 funds available for these purposes, the commission (~~shall~~) must give
10 first consideration to uses that regulate and assist the nonprofit race
11 meets and equine health research. These expenditures may occur only
12 when sufficient funds remain for the continued operations of the horse
13 racing commission.

14 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 immediately.

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