
Appropriations Committee

HB 1398

Brief Description: Supporting youth programs through agricultural fairs and the horse racing commission.

Sponsors: Representatives Alexander, Hurst, Haigh, Schmick, Cody, Hunt, Moscoso, Condotta and Morrell.

Brief Summary of Bill

- Redirects temporarily a portion of lottery proceeds to the Fair Fund and the Washington State Horse Racing Commission Operating Account.

Hearing Date: 2/11/13

Staff: Danielle Cruver (786-7157).

Background:

State Lottery Account.

The State Lottery Account (Lottery Account) was created in 1982 and consists of all revenues received from the sale of lottery tickets or shares, and all other moneys credited or transferred thereto from any other fund or source pursuant to law. After paying for expenses (including prizes and administration), lottery proceeds are distributed in the current biennium as follows:

- Washington Opportunity Pathways Account - \$224.7 million (88 percent);
- Stadium and Exhibition Center Account - \$23.1 million (9 percent); and
- other transfers - \$8 million (3 percent).

Washington Opportunity Pathways Account.

The allowable uses for the Washington Opportunity Pathways Account (WOPA) are work-study, Opportunity Grants, Washington Scholars Award, Award for Vocational Excellence, State Need Grant, GET Math and Science scholarships, Passport to College Promise, College Bound Scholarship, Early Childhood and Assistance Program, and the recruitment of entrepreneurial

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researchers, innovation partnership zones, and research teams. The WOPA is managed by the state as component of education funding.

Fair Fund.

Agricultural fairs are authorized for allocation of state funds for the purposes of holding agricultural fairs, including: the exhibition of livestock and agricultural produce of all kinds, products of the farm home, and educational contests, displays, and demonstrations designed to train youth, and to promote the welfare of farm people and rural living. The Fair Fund was created for the purposes of funding these goals. By statute, the State Treasurer makes annual transfers into the Fair Fund from the General Fund the sum of \$2 million, except that in fiscal year 2011 the transfer is \$1,103,000, and in fiscal years 2012 and 2013 the transfer is \$1,750,000 each fiscal year.

Washington Horse Racing Commission Operating Account.

The Horse Racing Commission Operating Account (HRC Operating Account) receives revenue from pari-mutual taxes, licensing fees, daily gross receipts collected from pari-mutuel machines, source market fees, and miscellaneous gifts, grants, or endowments. The HRC Operating Account may be used for the Horse Racing Commission's operating expenses. Additionally, current law directs a portion of the HRC Operating Account to the Fair Fund. However, there have been no contributions to the Fair Fund from this account since 1999 as revenue has not been sufficient to meet the distribution requirements.

Summary of Bill:

Lottery transfers to the Fair Fund and the HRC Operating Account are enabled.

In calendar year 2013, \$2.5 million of lottery proceeds are distributed to the Fair Fund. In each subsequent year, a distribution is made equal to the distribution made in the previous year plus 2 percent. These distributions end on June 30, 2023.

In calendar year 2013, \$2.5 million of lottery proceeds are distributed to the HRC Operating Account. In each subsequent year, a distribution is made equal to the distribution made in the previous year plus 2 percent. These distributions end on June 30, 2023.

The current transfer from the State General Fund to the Fair Fund is ended until June 30, 2023. Beginning on June 30, 2023, and each fiscal year thereafter, the \$2 million dollars transfer from the State General Fund to the Fair Fund would resume.

The bill also adds the following uses for the HRC Operating Account: 1) increase the size of purses for horse racing events, 2) provide educational opportunities at horse racing facilities for children involved in 4-H and other horse owners involved in training, and 3) marketing activities related to the horse racing industry.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.