

# HOUSE BILL REPORT

## HB 1469

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### As Passed Legislature

**Title:** An act relating to industrial insurance for horse racing employment.

**Brief Description:** Addressing industrial insurance for horse racing employment.

**Sponsors:** Representatives Schmick, Sells, Reykdal, Fagan, Green, Condotta, Short, Ormsby and Van De Wege; by request of Department of Labor & Industries.

#### **Brief History:**

##### **Committee Activity:**

Labor & Workforce Development: 2/6/13 [DP].

##### **Floor Activity:**

Passed House: 2/25/13, 92-0.

Passed Senate: 4/11/13, 48-0.

Passed Legislature.

#### **Brief Summary of Bill**

- Removes the requirement that workers' compensation premiums for employees in the horse racing industry be computed on a per license basis and assessed at the time the license is issued or renewed.
- Allows the Department of Labor and Industries and the Washington Horse Racing Commission to develop rules regarding the calculation and assessment of workers' compensation premiums for horse racing employees.

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### HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

**Majority Report:** Do pass. Signed by 9 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller, Ormsby and Short.

**Staff:** Trudes Tango (786-7384).

#### **Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Washington Horse Racing Commission (WHRC) regulates the horse racing industry and licenses participants in the industry. Some of the participants requiring licenses include trainers, assistant trainers, grooms, exercise riders, and pony riders. The WHRC also collects workers' compensation premiums assessed by the Department of Labor and Industries (Department).

Premiums are collected from owners and trainers, and assessments are not experience rated. Trainers must pay the premium assessment for each person in their employ, and the premium rate depends upon the type of licenses the trainer's employees have (i.e., groom, assistant trainer, exercise rider). Premiums owed by trainers also vary depending on the type of race track where the trainer is licensed (i.e., major tracks and minor tracks). Premiums must be collected at the time the license is issued or renewed.

In 2012 the WHRC, the Washington Horsemen's Benevolent and Protective Association, and the Department worked together to discuss new rules for risk classifications for certain horse racing employees and changes to how premiums would be assessed and collected. The WHRC has since adopted new rules, which took effect in December 2012.

**Summary of Bill:**

The requirement that premiums be computed on a per license basis and collected at the time the license is issued or renewed is removed. Instead, rates will be established by rules adopted by the Department and the WHRC. Premiums may vary according to the risk insured, as determined by rule, rather than based on the differences in working conditions at different tracks.

References to "hotwalker," a term that is no longer used, are removed.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Trainers have to pay workers' compensation premiums for the entire season even if they only race once or twice. This makes it expensive to race horses in Washington and deters trainers and owners from coming to this state. Under this bill, a trainer would only have to pay for the days he is at the track. It is more equitable. This bill is a good example of the Department working in partnership with the WHRC to give the racing industry flexibility regarding workers' compensation. It will help entice trainers to race in Washington.

(Opposed) None.

**Persons Testifying:** Representative Schmick, prime sponsor; Joel Sacks, Department of Labor and Industries; MaryAnn O'Connell, Washington Horsemen's Benevolent and Protective Association; and Doug Moore, Washington Horse Racing Commission.

**Persons Signed In To Testify But Not Testifying:** None.