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**SENATE BILL 5598**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senators Mullet, Fortunato, Nguyen, Keiser, Schoesler, Kauffman, Hunt, Padden, J. Wilson, Conway, Dozier, Stanford, and Van De Wege

Read first time 01/27/23. Referred to Committee on Business, Financial Services, Gaming & Trade.

1 AN ACT Relating to providing supplementary funding to legalized  
2 horse racing and the recreational use of horses in Washington state;  
3 amending RCW 67.16.050 and 67.16.280; adding a new section to chapter  
4 82.08 RCW; adding a new section to chapter 67.16 RCW; repealing RCW  
5 67.16.105; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.08  
8 RCW to read as follows:

9 (1) By July 1, 2023, and by July 1st of each year thereafter, the  
10 state treasurer, based upon information provided by the department,  
11 must transfer from the general fund to the Washington equine industry  
12 reinvestment account created in section 2 of this act an amount not  
13 to exceed \$6,000,000 per fiscal year from revenues deposited into the  
14 general fund for the previous fiscal year directly derived from the  
15 imposition of state sales and use taxes charged or levied on the  
16 following equine-related products, services, or uses:

17 (a) Equines;

18 (b) Equine feed;

19 (c) Prescription drugs, over-the-counter drugs, or dietary  
20 supplements to be dispensed to equines;

1 (d) Equine tack which includes, but is not limited to, equipment  
2 used to ride or care for an equine such as saddles, driving  
3 harnesses, girths, cinches, bridles, martingales, halters, lead  
4 ropes, whips, long reins, wraps, and other items used in handling and  
5 caring for equines;

6 (e) Horse bedding and grooming supplies;

7 (f) Sale of horses, including equines claimed at class 1 and  
8 class C regulated race meets; and

9 (g) Other taxable sales directly related to equine ownership,  
10 riding, or boarding.

11 (2) For purposes of this section, "equine" has the same  
12 definition as in RCW 4.24.530.

13 (3) Following each biennium, the transfer amount in subsection  
14 (1) of this section must be reviewed and may be increased based on  
15 inflationary calculations as determined by the department.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 67.16  
17 RCW to read as follows:

18 (1) The Washington equine industry reinvestment account is  
19 created in the state treasury to provide assistance to legalized  
20 horse racing and the recreational use of horses in Washington state.  
21 Revenues in the account consist of moneys transferred to the account  
22 pursuant to section 1 of this act and other revenue appropriated or  
23 transferred to the account pursuant to legislative directive. Moneys  
24 in the account may be spent only after appropriation.

25 (2) Beginning with the 2024 fiscal year, the legislature must  
26 annually appropriate moneys in the account as follows:

27 (a) An amount of \$6,000,000 to the Washington horse racing  
28 commission operating account created in RCW 67.16.280. From this  
29 appropriation all commission activities and operating costs must be  
30 funded based on budget projections from the office of financial  
31 management.

32 (b) The remaining amount must be distributed as follows:

33 (i) 10 percent to support nonprofit class C race meets under RCW  
34 67.16.130. Grants for the nonprofit race meets must not exceed 10  
35 percent of the funds. If there are less than 10 nonprofit race days  
36 awarded, the remainder may be distributed by grant to other approved  
37 allocations under this subsection (2)(b) based on greatest need;

38 (ii) 10 percent to supplement Washington breeders and bred horses  
39 consistent with RCW 67.16.075;

1 (iii) 10 percent to be awarded as grants to support equine  
2 activities as defined in RCW 4.24.530;

3 (iv) 65 percent to the class 1 racing associations allocated by  
4 grant from the Washington horse racing commission. Twenty-five  
5 percent of this allocation must be used for assistance in shipping  
6 and recruitment of horses to Washington from outside of the state,  
7 with the remainder being used for equine health and safety programs,  
8 research, racetrack surface improvements, and long-term maintenance  
9 of the racing surface. Additional allocations may be made for  
10 veterinary staff, track security, on-duty paramedics, emergency  
11 medical technicians, starting gate personnel, race-day outriders,  
12 purchase of track surface materials, and track safety maintenance  
13 equipment; and

14 (v) Five percent to the local affiliate and representative of  
15 horsemen and horsewomen in Washington state, the Washington  
16 horseman's benevolent and protective association, who are authorized  
17 to apply for grants to implement health and welfare benevolent  
18 programs for eligible persons and families working in the stable area  
19 at covered tracks. Such programs may include, but are not limited to,  
20 low-fee dental care, medical and burial assistance, educational and  
21 recreational programs, disaster relief, and assistance for department  
22 of labor and industries claim monitoring programs.

23 **Sec. 3.** RCW 67.16.050 and 1997 c 87 s 2 are each amended to read  
24 as follows:

25 Every person making application for license to hold a race meet,  
26 under the provisions of this chapter shall file an application with  
27 the commission which shall set forth the time, the place, the number  
28 of days such meet will continue, and such other information as the  
29 commission may require. The commission shall be the sole judge of  
30 whether or not the race meet shall be licensed and the number of days  
31 the meet shall continue. No person who has been convicted of any  
32 crime involving moral turpitude shall be issued a license, nor shall  
33 any license be issued to any person who has violated the terms or  
34 provisions of this chapter, or any of the rules and regulations of  
35 the commission made pursuant thereto, or who has failed to pay to the  
36 commission any or all sums required under the provisions of this  
37 chapter. The license shall specify the number of days the race meet  
38 shall continue and the number of races per day, which shall include  
39 not less than six nor more than (~~eleven~~) 11 live races per day, and

1 for which a fee shall be paid daily in advance of (~~five hundred~~  
2 ~~dollars for each live race day for those licensees which had gross~~  
3 ~~receipts from parimutuel machines in excess of fifty million dollars~~  
4 ~~in the previous year and two hundred dollars for each day for meets~~  
5 ~~which had gross receipts from parimutuel machines at or below fifty~~  
6 ~~million dollars in the previous year)) \$200; in addition any newly  
7 authorized live race meets shall pay (~~two hundred dollars~~) \$200 per  
8 day for the first year: PROVIDED, That if unforeseen obstacles arise,  
9 which prevent the holding, or completion of any race meet, the  
10 license fee for the meet, or for a portion which cannot be held may  
11 be refunded the licensee, if the commission deems the reasons for  
12 failure to hold or complete the race meet sufficient. Any unexpired  
13 license held by any person who violates any of the provisions of this  
14 chapter, or any of the rules or regulations of the commission made  
15 pursuant thereto, or who fails to pay to the commission any and all  
16 sums required under the provisions of this chapter, shall be subject  
17 to cancellation and revocation by the commission. Such cancellation  
18 shall be made only after a summary hearing before the commission, of  
19 which three days' notice, in writing, shall be given the licensee,  
20 specifying the grounds for the proposed cancellation, and at which  
21 hearing the licensee shall be given an opportunity to be heard in  
22 opposition to the proposed cancellation.~~

23 **Sec. 4.** RCW 67.16.280 and 2016 c 160 s 1 are each amended to  
24 read as follows:

25 (1) (~~(a)~~) The Washington horse racing commission operating  
26 account is created in the custody of the state treasurer. (~~All~~  
27 ~~receipts collected by the commission under RCW 67.16.105(2) must be~~  
28 ~~deposited into the account.)) Expenditures from the account may be  
29 used only for the operating expenses of the commission. Only the  
30 commission or the commission's designee may authorize expenditures  
31 from the account. The account is subject to allotment procedures  
32 under chapter 43.88 RCW, but an appropriation is not required for  
33 expenditures.~~

34 (~~(b)~~) (2) The commission has the authority to receive such  
35 gifts, grants, and endowments from public or private sources as may  
36 be made from time to time in trust or otherwise for the use and  
37 purpose of regulating or supporting nonprofit race meets as set forth  
38 in RCW 67.16.130 (~~and 67.16.105(1)~~); such gifts, grants, and  
39 endowments must also be deposited into the horse racing commission

1 operating account and expended according to the terms of such gift,  
2 grant, or endowment.

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

16 NEW SECTION. **Sec. 5.** RCW 67.16.105 (Gross receipts—Commission's  
17 percentage—Distributions) and 2011 c 12 s 1, 2010 c 39 s 1, 2004 c  
18 246 s 7, 2003 1st sp.s. c 27 s 1, 1998 c 345 s 6, 1997 c 87 s 3, 1995  
19 c 173 s 2, 1994 c 159 s 2, 1993 c 170 s 2, 1991 c 270 s 6, 1987 c 347  
20 s 4, 1985 c 146 s 7, 1982 c 32 s 3, & 1979 c 31 s 6 are each  
21 repealed.

22 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
23 preservation of the public peace, health, or safety, or support of  
24 the state government and its existing public institutions, and takes  
25 effect immediately.

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