
HOUSE BILL 1327

State of Washington

69th Legislature

2025 Regular Session

By Representatives Schmick and Stearns; by request of Horse Racing Commission

Read first time 01/16/25. Referred to Committee on State Government & Tribal Relations.

1 AN ACT Relating to horse racing; amending RCW 67.16.010,
2 67.16.012, 67.16.050, 67.16.070, 67.16.100, 67.16.101, 67.16.102,
3 67.16.105, 67.16.140, 67.16.160, 67.16.170, 67.16.175, 67.16.251, and
4 67.16.280; and reenacting and amending RCW 67.16.200.

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

6 **Sec. 1.** RCW 67.16.010 and 2004 c 246 s 5 are each amended to
7 read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Commission" (~~shall mean~~) means the Washington horse racing
11 commission, hereinafter created.

12 (2) "Parimutuel machine" (~~shall mean and include~~) means both
13 machines at the track and machines at the satellite locations, that
14 record parimutuel bets and compute the payoff.

15 (3) "Parimutuel wagering" means a form of wagering on the outcome
16 of a horse race or horse races in which all wagers are pooled and
17 held by a parimutuel pool host for distribution of the total amount,
18 less deductions authorized by law, to holders of tickets on the
19 winning contestants.

20 (4) "Person" (~~shall mean and include~~) means individuals, firms,
21 corporations, and associations.

1 (~~(4)~~) (5) "Race meet" (~~(shall mean and include)~~) means any
2 exhibition of thoroughbred, quarter horse, paint horse, appaloosa
3 horse racing, arabian horse racing, or standard bred harness horse
4 racing, where the parimutuel system is used.

5 **Sec. 2.** RCW 67.16.012 and 2011 1st sp.s. c 21 s 13 are each
6 amended to read as follows:

7 There is hereby created the Washington horse racing commission,
8 to consist of three commissioners, appointed by the governor and
9 confirmed by the senate. The commissioners shall be citizens,
10 residents, and qualified electors of the state of Washington(~~(, one~~
11 ~~of whom shall be a breeder of racehorses and shall be of at least one~~
12 ~~year's standing)~~). The terms of the members shall be six years. Each
13 member shall hold office until his or her successor is appointed and
14 qualified. Vacancies in the office of commissioner shall be filled by
15 appointment to be made by the governor for the unexpired term. Any
16 commissioner may be removed at any time at the pleasure of the
17 governor. Before entering upon the duties of his or her office, each
18 commissioner shall enter into a surety company bond, to be approved
19 by the governor and attorney general, payable to the state of
20 Washington, in the penal sum of five thousand dollars, conditioned
21 upon the faithful performance of his or her duties and the correct
22 accounting and payment of all sums received and coming within his or
23 her control under this chapter, and in addition thereto each
24 commissioner shall take and subscribe to an oath of office of the
25 same form as that prescribed by law for elective state officers.

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

28 Every person making application for license to hold a race meet,
29 under the provisions of this chapter shall file an application with
30 the commission which shall set forth the time, the place, the number
31 of days such meet will continue, and such other information as the
32 commission may require. The commission shall be the sole judge of
33 whether or not the race meet shall be licensed and the number of days
34 the meet shall continue. No person who has been convicted of any
35 crime involving moral turpitude shall be issued a license, nor shall
36 any license be issued to any person who has violated the terms or
37 provisions of this chapter, or any of the rules and regulations of
38 the commission made pursuant thereto, or who has failed to pay to the

1 commission any or all sums required under the provisions of this
2 chapter. The license shall specify the number of days the race meet
3 shall continue and the number of races per day, which shall include
4 not less than six (~~(nor more than eleven)~~) live races per day, and
5 for which a fee shall be paid daily in advance of (~~(five hundred~~
6 ~~dollars)~~) \$500 for each live race day (~~(for those licensees which had~~
7 ~~gross receipts from parimutuel machines in excess of fifty million~~
8 ~~dollars in the previous year and two hundred dollars for each day for~~
9 ~~meets which had gross receipts from parimutuel machines at or below~~
10 ~~fifty million dollars in the previous year; in addition any newly~~
11 ~~authorized live race meets shall pay two hundred dollars per day for~~
12 ~~the first year))): PROVIDED, That if unforeseen obstacles arise, which
13 prevent the holding, or completion of any race meet, the license fee
14 for the meet, or for a portion which cannot be held may be refunded
15 the licensee, if the commission deems the reasons for failure to hold
16 or complete the race meet sufficient. Any unexpired license held by
17 any person who violates any of the provisions of this chapter, or any
18 of the rules or regulations of the commission made pursuant thereto,
19 or who fails to pay to the commission any and all sums required under
20 the provisions of this chapter, shall be subject to cancellation and
21 revocation by the commission. Such cancellation shall be made only
22 after a summary hearing before the commission, of which three days'
23 notice, in writing, shall be given the licensee, specifying the
24 grounds for the proposed cancellation, and at which hearing the
25 licensee shall be given an opportunity to be heard in opposition to
26 the proposed cancellation.~~

27 **Sec. 4.** RCW 67.16.070 and 1949 c 236 s 2 are each amended to
28 read as follows:

29 For the purpose of encouraging the breeding, within this state,
30 of valuable thoroughbred, quarter and/or standard bred racehorses, at
31 least one race of each day's meet shall (~~(consist))~~) be offered
32 exclusively (~~(of))~~) for Washington bred horses.

33 **Sec. 5.** RCW 67.16.100 and 1998 c 345 s 5 are each amended to
34 read as follows:

35 (1) All sums paid to the commission under this chapter, including
36 those sums collected for license fees and excluding those sums
37 collected under RCW 67.16.102 and 67.16.105(3), shall be disposed of
38 by the commission as follows: One hundred percent thereof shall be

1 retained by the commission for the payment of the salaries of its
2 members, secretary, clerical, office, and other help and all expenses
3 incurred in carrying out the provisions of this chapter. (~~No salary,~~
4 ~~wages, expenses, or compensation of any kind shall be paid by the~~
5 ~~state in connection with the work of the commission.~~)

6 (2) Any moneys collected or paid to the commission under the
7 terms of this chapter and not expended at the close of the fiscal
8 biennium shall be either dispersed to Washington state registered
9 equestrian nonprofit organizations or recognized equine-related youth
10 organizations through a grant process set up by the commission or
11 paid to the state treasurer and be placed in the fair fund created in
12 RCW 15.76.115. The commission may, with the approval of the office of
13 financial management, retain any sum required for working capital.

14 **Sec. 6.** RCW 67.16.101 and 2006 c 174 s 2 are each amended to
15 read as follows:

16 The legislature finds that:

17 (1) A primary responsibility of the horse racing commission is
18 the encouragement of the training and development of the equine
19 industry in the state of Washington whether the result of this
20 training and development results in legalized horse racing or in the
21 recreational use of horses;

22 (2) The horse racing commission has a further major
23 responsibility to assure that any facility used as a racecourse
24 should be maintained and upgraded to (~~insure~~) ensure the continued
25 safety of both the public and the horse at any time the facility is
26 used for the training or contesting of these animals;

27 (3) Nonprofit race meets within the state have difficulty in
28 obtaining sufficient funds to provide the maintenance and upgrading
29 necessary to assure this safety at these facilities, or to permit
30 frequent use of these facilities by 4-H children or other horse
31 owners involved in training; and

32 (4) The one percent of the parimutuel machine gross receipts used
33 to pay a special purse to the licensed owners of Washington bred
34 horses is available for the purpose of drawing interest, thereby
35 obtaining funds to be disbursed to achieve the necessary support to
36 these nonprofit race meets.

37 **Sec. 7.** RCW 67.16.102 and 2009 c 87 s 1 are each amended to read
38 as follows:

1 (1) Notwithstanding any other provision of (~~chapter 67.16 RCW~~)
2 this chapter to the contrary, the licensee shall withhold and shall
3 pay daily to the commission, in addition to the percentages
4 authorized by RCW 67.16.105, one percent of the gross receipts of all
5 parimutuel machines at each race meet which sums shall, at the end of
6 each meet, be paid by the commission to the licensed owners of those
7 Washington bred only horses finishing first, second, third, and
8 fourth at each meet from which the additional one percent is derived
9 in accordance with an equitable distribution formula to be
10 promulgated by the commission prior to the commencement of each race
11 meet: PROVIDED, That nothing in this section shall apply to race
12 meets which are nonprofit in nature, are of ten days or less, and
13 have an average daily handle of less than one hundred twenty thousand
14 dollars.

15 (2) The additional one percent specified in subsection (1) of
16 this section shall be deposited by the commission in the Washington
17 horse racing commission Washington bred owners' bonus fund and
18 breeder awards account created in RCW 67.16.275. The interest derived
19 from this account shall be distributed annually on an equal basis to
20 those racecourses at which independent race meets are held which are
21 nonprofit in nature and are of ten days or less. Prior to receiving a
22 payment under this subsection, any new racecourse shall meet the
23 qualifications set forth in this section for a period of two years.
24 All funds distributed under this subsection shall be used for the
25 purpose of maintaining and upgrading the respective racing courses
26 and equine quartering areas of said nonprofit meets.

27 (3) The commission shall not permit the licensees to take into
28 consideration the benefits derived from this section in establishing
29 purses.

30 (~~((4) The commission is authorized to pay at the end of the
31 calendar year one-half of the one percent collected from a new
32 licensee under subsection (1) of this section for reimbursement of
33 capital construction of that new licensee's new racetrack for a
34 period of fifteen years. This reimbursement does not include interest
35 earned on that one-half of one percent and such interest shall
36 continue to be collected and disbursed as provided in RCW 67.16.101
37 and subsection (1) of this section.))~~)

38 **Sec. 8.** RCW 67.16.105 and 2011 c 12 s 1 are each amended to read
39 as follows:

1 (1) Licensees of race meets that are nonprofit in nature and are
2 of ten days or less are exempt from payment of a parimutuel tax.

3 (2) Licensees that do not fall under subsection (1) of this
4 section must withhold and pay to the commission daily for each
5 authorized day of parimutuel wagering the following applicable
6 percentage of all daily gross receipts from its in-state parimutuel
7 machines:

8 (a) If the gross receipts of all its in-state parimutuel machines
9 are more than (~~fifty million dollars~~) \$20,000,000 in the previous
10 calendar year, the licensee must withhold and pay to the commission
11 daily 1.30 percent of the daily gross receipts; and

12 (b) If the gross receipts of all its in-state parimutuel machines
13 are (~~fifty million dollars~~) \$20,000,000 or less in the previous
14 calendar year, the licensee must withhold and pay to the commission
15 daily (~~1.803~~) 1.8 percent of the daily gross receipts.

16 (3)(a) In addition to those amounts in subsection (2) of this
17 section, a licensee must forward one-tenth of one percent of the
18 daily gross receipts of all its in-state parimutuel machines to the
19 commission for payment to those nonprofit race meets as set forth in
20 RCW 67.16.130 and subsection (1) of this section, but the percentage
21 may not be charged against the licensee.

22 (b) Payments to nonprofit race meets under this subsection must
23 be distributed on a per-race-day basis and used only for purses at
24 racetracks that have been (~~operating under RCW 67.16.130 and~~
25 ~~subsection (1) of this section in 2010 or for the five consecutive~~
26 ~~years immediately preceding the year of payment.~~

27 (~~c) As provided in this subsection, the commission must~~
28 ~~distribute funds up to fifteen thousand eight hundred dollars per~~
29 ~~race day from funds generated under this subsection (3).~~

30 (~~4) Beginning July 1, 1999, at the conclusion of each authorized~~
31 ~~race meet, the commission must calculate the mathematical average~~
32 ~~daily gross receipts of parimutuel wagering that is conducted only at~~
33 ~~the physical location of the live race meet at those race meets of~~
34 ~~licensees with gross receipts of all their in-state parimutuel~~
35 ~~machines of more than fifty million dollars. Such calculation shall~~
36 ~~include only the gross parimutuel receipts from wagering occurring on~~
37 ~~live racing dates, including live racing receipts and receipts~~
38 ~~derived from one simulcast race card that is conducted only at the~~
39 ~~physical location of the live racing meet, which, for the purposes of~~
40 ~~this subsection, is "the handle." If the calculation exceeds eight~~

1 ~~hundred eighty-six thousand dollars, the licensee must within ten~~
2 ~~days of receipt of written notification by the commission forward to~~
3 ~~the commission a sum equal to the product obtained by multiplying 0.6~~
4 ~~percent by the handle. Sums collected by the commission under this~~
5 ~~subsection must be forwarded on the next business day following~~
6 ~~receipt thereof to the state treasurer to be deposited in the fair~~
7 ~~fund created in RCW 15.76.115.)~~ approved for race dates in the
8 current calendar year and operating under RCW 67.16.130 and
9 subsection (1) of this section. If no nonprofit racing dates are
10 approved, any amount in the fund that exceeds \$180,000 at the end of
11 each fiscal year must be deposited into the commission's operating
12 account.

13 (c) As provided in this subsection, the commission must
14 distribute funds up to \$30,000 per race day from funds generated
15 under this subsection (3).

16 **Sec. 9.** RCW 67.16.140 and 1973 1st ex.s. c 216 s 3 are each
17 amended to read as follows:

18 No employee of the horse racing commission shall simultaneously
19 serve as an employee of any track at which that individual will also
20 serve as an employee of the commission.

21 **Sec. 10.** RCW 67.16.160 and 2004 c 274 s 3 are each amended to
22 read as follows:

23 No later than ((~~ninety~~)) 90 days after July 16, 1973, the horse
24 racing commission shall adopt, pursuant to chapter 34.05 RCW,
25 reasonable rules implementing to the extent applicable to the
26 circumstances of the horse racing commission the conflict of interest
27 laws of the state of Washington as set forth in chapter 42.52 RCW. In
28 no case may a commissioner make any wager on the outcome of a live
29 horse race at a race meet conducted in Washington state under the
30 authority of the commission. For authorized simulcast races held
31 outside the state of Washington, a commissioner is permitted to
32 wager.

33 **Sec. 11.** RCW 67.16.170 and 1998 c 345 s 7 are each amended to
34 read as follows:

35 (1) Licensees of race meets that are nonprofit in nature and are
36 of ten days or less may retain daily for each authorized day of

1 racing fifteen percent of daily gross receipts of all parimutuel
2 machines at each race meet.

3 (2) Licensees of race meets that do not fall under subsection (1)
4 of this section may retain daily for each authorized day of
5 parimutuel wagering (~~the following percentages from the daily gross~~
6 ~~receipts of all its in-state parimutuel machines:~~

7 ~~(a) If the daily gross receipts of all its in-state parimutuel~~
8 ~~machines are more than fifty million dollars in the previous calendar~~
9 ~~year, the licensee may retain daily 13.70 percent of the daily gross~~
10 ~~receipts; and~~

11 ~~(b) If the daily gross receipts of all its in-state parimutuel~~
12 ~~machines are fifty million dollars or less in the previous calendar~~
13 ~~year, the licensee may retain daily 14.48 percent of the daily gross~~
14 ~~receipts.)~~ no more than 15 percent of the daily gross receipts.

15 **Sec. 12.** RCW 67.16.175 and 2009 c 87 s 2 are each amended to
16 read as follows:

17 (1) In addition to the amounts authorized to be retained in RCW
18 67.16.170, race meets may retain daily for each authorized day of
19 racing an additional six percent of the daily gross receipts of all
20 parimutuel machines from exotic wagers at each race meet.

21 ~~(2) ((Except as provided in subsection (3) of this section, of))~~
22 Of the amounts retained in subsection (1) of this section, one-sixth
23 shall be paid to the commission at the end of the race meet for
24 deposit in the Washington horse racing commission Washington bred
25 owners' bonus fund and breeder awards account created in RCW
26 67.16.275. Such amounts shall be used by the commission for
27 Washington bred breeder awards, in accordance with the rules and
28 qualifications adopted by the commission.

29 ~~(3) ((Of the amounts retained for breeder awards under subsection~~
30 ~~(2) of this section, twenty-five percent shall be retained by a new~~
31 ~~licensee for reimbursement of capital construction of the new~~
32 ~~licensee's new racetrack for a period of fifteen years.~~

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

35 **Sec. 13.** RCW 67.16.200 and 2013 c 23 s 178 and 2013 c 18 s 1 are
36 each reenacted and amended to read as follows:

37 (1) A class 1 racing association licensed by the commission to
38 conduct a race meet may seek approval from the commission to conduct

1 parimutuel wagering at a satellite location or locations within the
2 state of Washington. In order to participate in parimutuel wagering
3 at a satellite location or locations within the state of Washington,
4 the holder of a class 1 racing association license must have
5 conducted at least one full live racing season. All class 1 racing
6 associations must hold a live race meet within each succeeding
7 twelve-month period to maintain eligibility to continue to
8 participate in parimutuel wagering at a satellite location or
9 locations. (~~The sale of parimutuel pools at satellite locations
10 shall be conducted simultaneous to all parimutuel wagering activity
11 conducted at the licensee's live racing facility in the state of
12 Washington.~~) The commission's authority to approve satellite
13 wagering at a particular location is subject to the following
14 limitations:

15 (a) The commission may approve only one satellite location in
16 each county in the state; provided however, the commission may
17 approve two satellite locations in counties with a population
18 exceeding one million. The commission may grant approval for more
19 than one licensee to conduct wagering at each satellite location. A
20 satellite location shall not be operated within twenty driving miles
21 of any class 1 racing facility. For the purposes of this section,
22 "driving miles" means miles measured by the most direct route as
23 determined by the commission; and

24 (b) A licensee shall not conduct satellite wagering at any
25 satellite location within sixty driving miles of any other class 1
26 racing facility conducting a live race meet.

27 (2) Subject to local zoning and other land use ordinances, the
28 commission shall be the sole judge of whether approval to conduct
29 wagering at a satellite location shall be granted.

30 (3) The licensee shall combine the parimutuel pools of the
31 satellite location with those of the racing facility for the purpose
32 of determining odds and computing payoffs. The amount wagered at the
33 satellite location shall be combined with the amount wagered at the
34 racing facility for the application of take out formulas and
35 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and
36 67.16.175. A satellite extension of the licensee's racing facility
37 shall be subject to the same application of the rules of racing as
38 the licensee's racing facility.

39 (4) Upon written application to the commission, a class 1 racing
40 association may be authorized to transmit simulcasts of live horse

1 races conducted at its racetrack to locations outside of the state of
2 Washington approved by the commission and in accordance with the
3 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or
4 any other applicable laws. The commission may permit parimutuel pools
5 on the simulcast races to be combined in a common pool. A racing
6 association that transmits simulcasts of its races to locations
7 outside this state shall pay at least fifty percent of the fee that
8 it receives for sale of the simulcast signal to the horsemen's or
9 horsewomen's purse account for its live races after first deducting
10 the actual cost of sending the signal out of state.

11 (5) Upon written application to the commission, a class 1 racing
12 association may be authorized to transmit simulcasts of live horse
13 races conducted at its racetrack to licensed racing associations
14 located within the state of Washington and approved by the commission
15 for the receipt of the simulcasts. The commission shall permit
16 parimutuel pools on the simulcast races to be combined in a common
17 pool. The fee for in-state, track-to-track simulcasts shall be five
18 and one-half percent of the gross parimutuel receipts generated at
19 the receiving location and payable to the sending racing association.
20 A racing association that transmits simulcasts of its races to other
21 licensed racing associations shall pay at least fifty percent of the
22 fee that it receives for the simulcast signal to the horsemen's or
23 horsewomen's purse account for its live race meet after first
24 deducting the actual cost of sending the simulcast signal. A racing
25 association that receives races simulcast from class 1 racing
26 associations within the state shall pay at least fifty percent of its
27 share of the parimutuel receipts to the horsemen's or horsewomen's
28 purse account for its live race meet after first deducting the
29 purchase price and the actual direct costs of importing the race.

30 (6) A class 1 racing association may be allowed to import
31 simulcasts of horse races from out-of-state racing facilities. With
32 the prior approval of the commission, the class 1 racing association
33 may participate in a multijurisdictional common pool and may change
34 its commission and breakage rates to achieve a common rate with other
35 participants in the common pool.

36 (a) The class 1 racing association shall make written application
37 with the commission for permission to import simulcast horse races
38 for the purpose of parimutuel wagering. Subject to the terms of this
39 section, the commission is the sole authority in determining whether
40 to grant approval for an imported simulcast race.

1 (b) When open for parimutuel wagering, a class 1 racing
2 association which imports simulcast races shall also conduct
3 simulcast parimutuel wagering within its licensed racing enclosure on
4 all races simulcast from other class 1 racing associations within the
5 state of Washington.

6 (c) On any imported simulcast race, the class 1 racing
7 association shall pay fifty percent of its share of the parimutuel
8 receipts to the horsemen's or horsewomen's purse account for its live
9 race meet after first deducting the purchase price of the imported
10 race and the actual costs of importing and offering the race.

11 (7) A licensed nonprofit racing association may be approved to
12 import one simulcast race of regional or national interest on each
13 live race day.

14 (8) For purposes of this section, a class 1 racing association is
15 defined as a licensee approved by the commission to conduct during
16 each twelve-month period at least forty days of live racing. If a
17 live race day is canceled due to reasons directly attributable to
18 acts of God, labor disruptions affecting live race days but not
19 directly involving the licensee or its employees, or other
20 circumstances that the commission decides are beyond the control of
21 the class 1 racing association, then the canceled day counts toward
22 the forty-day requirement. The commission may by rule increase the
23 number of live racing days required to maintain class 1 racing
24 association status or make other rules necessary to implement this
25 section.

26 (9) This section does not establish a new form of gaming in
27 Washington or allow expanded gaming within the state beyond what has
28 been previously authorized. Simulcast wagering has been allowed in
29 Washington before April 19, 1997. Therefore, this section does not
30 allow gaming of any nature or scope that was prohibited before April
31 19, 1997. This section is necessary to protect the Washington equine
32 breeding and racing industries, and in particular those sectors of
33 these industries that are dependent upon live horse racing. The
34 purpose of this section is to protect these industries from adverse
35 economic impacts and to promote fan attendance at class 1 racing
36 facilities. Therefore, a licensed class 1 racing association may be
37 approved to disseminate imported simulcast race card programs to
38 satellite locations approved under this section(~~(, provided that the~~
39 ~~class 1 racing association has conducted at least forty live racing~~
40 ~~days with an average on-track handle on the live racing product of a~~

1 ~~minimum of one hundred fifty thousand dollars per day during the~~
2 ~~twelve months immediately preceding the application date. However, to~~
3 ~~promote the development of a new class 1 racing association facility~~
4 ~~and to meet the best interests of the Washington equine breeding and~~
5 ~~racing industries, the commission may by rule reduce the required~~
6 ~~minimum average on-track handle on the live racing product from one~~
7 ~~hundred fifty thousand dollars per day to thirty thousand dollars per~~
8 ~~day).~~

9 (10) A licensee conducting simulcasting under this section shall
10 place signs in the licensee's gambling establishment under RCW
11 9.46.071. The informational signs concerning problem and compulsive
12 gambling must include a toll-free telephone number for problem and
13 pathological gamblers and be developed under RCW 9.46.071.

14 (11) Chapter 10, Laws of 2001 1st sp. sess. does not establish a
15 new form of gaming in Washington or allow expanded gaming within the
16 state beyond what has been previously authorized. Simulcast wagering
17 has been allowed in Washington before August 23, 2001. Therefore,
18 this section does not allow gaming of any nature or scope that was
19 prohibited before August 23, 2001. Chapter 10, Laws of 2001 1st sp.
20 sess. is necessary to protect the Washington equine breeding and
21 racing industries, and in particular those sectors of these
22 industries that are dependent upon live horse racing. The purpose of
23 chapter 10, Laws of 2001 1st sp. sess. is to protect these industries
24 from adverse economic impacts and to promote fan attendance at class
25 1 racing facilities.

26 **Sec. 14.** RCW 67.16.251 and 2005 c 351 s 2 are each amended to
27 read as follows:

28 Class 1 racing associations and licensed advanced deposit
29 wagering companies may conduct horse race handicapping contests. The
30 commission shall establish rules for the ~~((conduct))~~ approval of
31 handicapping contests involving the outcome of multiple horse races.

32 **Sec. 15.** RCW 67.16.280 and 2016 c 160 s 1 are each amended to
33 read as follows:

34 (1)(a) The Washington horse racing commission operating account
35 is created in the custody of the state treasurer. All receipts
36 collected by the commission under RCW 67.16.105(2) must be deposited
37 into the account. Expenditures from the account may be used only for
38 the operating expenses of the commission. Only the commission or the

1 commission's designee may authorize expenditures from the account.
2 The account is subject to allotment procedures under chapter 43.88
3 RCW, but an appropriation is not required for expenditures.

4 (b) The commission has the authority to receive such gifts,
5 grants, and endowments from public or private sources as may be made
6 from time to time in trust or otherwise for the use and purpose of
7 regulating or supporting nonprofit race meets as set forth in RCW
8 67.16.130 and 67.16.105(1); such gifts, grants, and endowments must
9 also be deposited into the horse racing commission operating account
10 and expended according to the terms of such gift, grant, or
11 endowment.

12 (2) In order to provide funding in support of the legislative
13 findings in RCW 67.16.101 (1) through (3), and to provide additional
14 necessary support to the nonprofit race meets beyond the funding
15 provided by RCW 67.16.101(4) and 67.16.102(2), the commission is
16 authorized to spend up to (~~three hundred thousand dollars~~) \$500,000
17 per fiscal year from its operating account for the purpose of
18 developing the equine industry, maintaining and upgrading racing
19 facilities, and assisting equine health research. When determining
20 how to allocate the funds available for these purposes, the
21 commission must give first consideration to uses that regulate and
22 assist the nonprofit race meets and equine health research. These
23 expenditures may occur only when sufficient funds remain for the
24 continued operations of the horse racing commission.

--- END ---