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HOUSE BILL 1398

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Alexander, Hurst, Haigh, Schmick, Cody, Hunt, Moscoso, Condotta, and Morrell

Read first time 01/25/13. Referred to Committee on Appropriations.

1 AN ACT Relating to supporting youth programs through agricultural  
2 fairs and the horse racing commission; and amending RCW 15.76.100,  
3 67.70.240, 15.76.115, and 67.16.280.

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

5 **Sec. 1.** RCW 15.76.100 and 2012 c 221 s 1 are each amended to read  
6 as follows:

7 It is hereby declared that it is in the public interest to hold  
8 agricultural fairs, including the exhibition of livestock and  
9 agricultural produce of all kinds, as well as related arts and  
10 manufactures; including products of the farm home and educational  
11 contest, displays, and demonstrations designed to train youth and to  
12 promote the welfare of farm people and rural living. The legislature  
13 further finds that providing a dedicated source of revenues for state  
14 allocations to the fair fund supports these important training  
15 opportunities for youth. Fairs qualifying (~~(hereunder shall be)~~) under  
16 this section are eligible for allocations from the state fair fund and  
17 for capital funding when appropriated to the department of agriculture,  
18 as provided in this chapter.

1       **Sec. 2.** RCW 67.70.240 and 2011 c 352 s 3 are each amended to read  
2 as follows:

3       (1) The moneys in the state lottery account shall be used only:

4       ~~((1))~~ (a) For the payment of prizes to the holders of winning  
5 lottery tickets or shares;

6       ~~((2))~~ (b) For purposes of making deposits into the reserve  
7 account created by RCW 67.70.250 and into the lottery administrative  
8 account created by RCW 67.70.260;

9       ~~((3))~~ (c) For purposes of making deposits into the education  
10 construction fund created in RCW 43.135.045 and the Washington  
11 opportunity pathways account created in RCW 28B.76.526. On and after  
12 July 1, 2010, all deposits not otherwise obligated under this section  
13 shall be placed in the Washington opportunity pathways account. Moneys  
14 in the state lottery account deposited in the Washington opportunity  
15 pathways account are included in "general state revenues" under RCW  
16 39.42.070;

17       ~~((4))~~ (d) For distribution to a county for the purpose of paying  
18 the principal and interest payments on bonds issued by the county to  
19 construct a baseball stadium, as defined in RCW 82.14.0485, including  
20 reasonably necessary preconstruction costs. Three million dollars  
21 shall be distributed under this subsection during calendar year 1996.  
22 During subsequent years, such distributions shall equal the prior  
23 year's distributions increased by four percent. Distributions under  
24 this subsection shall cease when the bonds issued for the construction  
25 of the baseball stadium are retired, but not more than twenty years  
26 after the tax under RCW 82.14.0485 is first imposed;

27       ~~((5))~~ (e) For distribution to the stadium and exhibition center  
28 account, created in RCW 43.99N.060. Subject to the conditions of RCW  
29 43.99N.070, six million dollars shall be distributed under this  
30 subsection during the calendar year 1998. During subsequent years,  
31 such distribution shall equal the prior year's distributions increased  
32 by four percent. No distribution may be made under this subsection  
33 after December 31, 1999, unless the conditions for issuance of the  
34 bonds under RCW 43.99N.020(2) are met. Distributions under this  
35 subsection shall cease when the bonds are retired, but not later than  
36 December 31, 2020;

37       ~~((6))~~ (f) For transfer to the veterans innovations program  
38 account. The net revenues received from the sale of the annual

1 Veteran's Day lottery raffle conducted under RCW 67.70.500 must be  
2 deposited into the veterans innovations program account created in RCW  
3 43.60A.185 for purposes of serving veterans and their families. For  
4 purposes under this subsection, "net revenues" means all revenues  
5 received from the sale of veteran lottery raffle tickets less the sum  
6 of the amount paid out in prizes and the actual administration expenses  
7 of the lottery solely related to the veteran lottery raffle;

8 ~~((+7))~~ (g) For the purchase and promotion of lottery games and  
9 game-related services; ~~((and~~

10 ~~+8))~~ (h) For the payment of agent compensation; and

11 (i) For distribution to the state fair fund created in RCW  
12 15.76.115 and the horse racing commission operating account created in  
13 RCW 67.16.280. Five million dollars must be distributed under this  
14 subsection during calendar year 2013, as follows: (A) Two million five  
15 hundred thousand dollars to the state fair fund established under RCW  
16 15.76.115; and (B) two million five hundred thousand dollars to the  
17 horse racing commission operating account established under RCW  
18 67.16.280. During subsequent years, such distributions must equal the  
19 prior year's distributions increased by two percent. No distribution  
20 may be made under this subsection (1)(i) after June 30, 2023.

21 (2) The office of financial management shall require the allotment  
22 of all expenses paid from the account and shall report to the ways and  
23 means committees of the senate and house of representatives any changes  
24 in the allotments.

25 **Sec. 3.** RCW 15.76.115 and 2011 1st sp.s. c 50 s 926 are each  
26 amended to read as follows:

27 (1) The fair fund is created in the custody of the state treasury.

28 (2) As of the effective date of this section until July 30, 2023,  
29 all moneys received by the department of agriculture for the purposes  
30 of this fund ~~((and from RCW 67.16.105(7))~~ shall be deposited into the  
31 fair fund. ~~((At the beginning of fiscal year 2002))~~

32 (3) As of June 30, 2023, and each fiscal year thereafter, the state  
33 treasurer shall transfer into the fair fund from the general fund the  
34 sum of two million dollars~~((, except for fiscal year 2011 the state~~  
35 treasurer shall transfer into the fair fund from the general fund the  
36 sum of one million one hundred three thousand dollars, and except

1 ~~during fiscal year 2012 and fiscal year 2013 the state treasurer shall~~  
2 ~~transfer into the fair fund from the general fund the sum of one~~  
3 ~~million seven hundred fifty thousand dollars each fiscal year)).~~

4 (4) Expenditures from the fund may be used only for assisting fairs  
5 in the manner provided in this chapter. Only the director of  
6 agriculture or the director's designee may authorize expenditures from  
7 the fund. The fund is subject to allotment procedures under chapter  
8 43.88 RCW, but no appropriation is required for expenditures.

9 **Sec. 4.** RCW 67.16.280 and 2011 c 12 s 2 are each amended to read  
10 as follows:

11 (1) The Washington horse racing commission operating account is  
12 created in the custody of the state treasurer. All receipts collected  
13 by the commission under RCW 67.16.105(2) must be deposited into the  
14 account. The commission has the authority to receive such gifts,  
15 grants, and endowments from public or private sources as may be made  
16 from time to time in trust or otherwise for the use and purpose of  
17 regulating or supporting nonprofit race meets as set forth in RCW  
18 67.16.130 and 67.16.105(1); such gifts, grants, and endowments must  
19 also be deposited into the account and expended according to the terms  
20 of such gift, grant, or endowment. Moneys in the account may be spent  
21 only after appropriation. Except as provided in subsection (2) of this  
22 section, expenditures from the account may be used ((only)) for  
23 operating expenses of the commission including increasing the size of  
24 purses for horse racing events, providing educational opportunities at  
25 horse racing facilities for children involved in 4-H and other horse  
26 owners involved in training, and marketing activities related to the  
27 horse racing industry. Investment earnings from the account will be  
28 retained in the Washington horse racing commission operating account,  
29 pursuant to RCW 43.79A.040.

30 (2) In order to provide funding in support of the legislative  
31 findings in RCW 67.16.101 (1) through (3), and to provide additional  
32 necessary support to the nonprofit race meets beyond the funding  
33 provided by RCW 67.16.101(4) and 67.16.102(2), the commission is  
34 authorized to spend up to three hundred thousand dollars per fiscal  
35 year from its operating account for the purpose of developing the  
36 equine industry, maintaining and upgrading racing facilities, and  
37 assisting equine health research. When determining how to allocate the

1 funds available for these purposes, the commission must give first  
2 consideration to uses that regulate and assist the nonprofit race meets  
3 and equine health research. These expenditures may occur only when  
4 sufficient funds remain for the continued operations of the horse  
5 racing commission.

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