

# SENATE BILL REPORT

## HB 1928

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As Reported by Senate Committee On:  
Ways & Means, February 28, 2022

**Title:** An act relating to equine industry support.

**Brief Description:** Concerning equine industry support.

**Sponsors:** Representatives Schmick, Stokesbary, Sutherland, Wicks and Dent.

**Brief History:** Passed House: 2/14/22, 90-8.

**Committee Activity:** Ways & Means: 2/24/22, 2/28/22 [DPA, DNP, w/oRec].

### Brief Summary of Amended Bill

- Creates the Washington Equine Industry Reinvestment Account (Reinvestment Account) in the State Treasury
- Specifies allowable uses for funds in the account.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital; Billig, Braun, Conway, Gildon, Hunt, Keiser, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner and Warnick.

**Minority Report:** Do not pass.

Signed by Senators Robinson, Vice Chair, Operating & Revenue; Dhingra.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Carlyle, Hasegawa and Wellman.

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Trevor Press (786-7446)

**Background:** The Washington Horse Racing Commission (Commission) is responsible for licensing, regulating, and supervising all race meets held in Washington where the parimutuel system of betting is used.

The receipts from a parimutuel tax must be deposited in the Washington Horse Racing Commission Operating Account (Operating Account), a nonappropriated account in the custody of the State Treasurer, in addition to any gifts, grants, or endowments the Commission receives. Except for gifts, grants, and endowments, which are spent based on their terms, moneys in the Operating Account are used for the Commission's operating expenses and other specified purposes. Up to \$300,000 per fiscal year can be spent on developing the equine industry, maintaining and upgrading racing facilities, and assisting equine health research.

After June 30, 2023, no salary, wages, or other compensation can be paid by the state in connection with the work of the Commission. Moneys paid to the Commission and left over at the end of each biennium, except for any amount retained for working capital, are to go to the Fair Fund.

Primary responsibilities of the Commission, in addition to its licensing and regulatory responsibilities, include:

- encouraging training and development of the equine industry in Washington for racing or recreational use of horses; and
- ensuring that any facility used as a racetrack should be maintained and upgraded to provide a safe environment for the public and horses.

The Horse Racing Commission Washington Bred Owner's Bonus Fund and Breeder Awards Account uses specified receipts to assist new tracks and for Washington bred breeder awards.

**Summary of Amended Bill:** The Washington Equine Industry Reinvestment Account (Reinvestment Account) is created in the State Treasury. Resources going into the Reinvestment Account consist of any funds appropriated or transferred to the Reinvestment Account at the direction of the Legislature.

Funds can be used for nonprofit race meets, grants to support equine activities, and equine health and safety programs and research and facility improvements and maintenance.

**EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):**

Removes the general fund transfer into the Reinvestment Account and removes the requirement that the Legislature must annually appropriate moneys into the account. Limits the use of the account to nonprofit race meets, grants to support equine activities, and

equine health and safety programs, and research and facility improvements and maintenance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony on House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: One part of the commission's mission is to encourage race breeding. This bill is similar to a bill that was passed in Texas last year. The Texas bill resulted in many positive impacts and increased sales and supports jobs and agricultural industry. This bill would bring parimutuel racing back to communities that have lost this racing in recent years. There is a great need for this bill. This bill helps horses that are not on the track because the racetrack is the hub of all horse activity and a substantial portion of this bill will go into the horse health portion of the horse industry. This bill helps the equine industry and would keep people employed. Washington has the lowest purses in the country. This bill supports an industry that has done a lot for the community. There are 500 employees that work with emerald downs and there are many vendors and trainers that would also benefit from this bill. The bill benefits agriculture across the state along with tracks and horse racing.

**Persons Testifying:** PRO: Doug Moore, Washington Horse Racing Commission; Pat LePley, Director, HBPA; Ron Crockett, Founder, Past President Emerald Downs; Phil Ziegler, President, Emerald Downs; Loyal Baker.

**Persons Signed In To Testify But Not Testifying:** No one.