

FINAL BILL REPORT

ESHB 1247

C 173 L 95

Synopsis as Enacted

Brief Description: Promoting horse racing.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives L. Thomas, Lisk, G. Fisher, Robertson, Casada, Basich, Clements, Ebersole, Horn, Boldt, Mason, B. Thomas, Cairnes, Radcliff, Foreman, Cooke, Chandler, Mielke, Dyer, Mitchell, Schoesler, Skinner, Appelwick, Sheldon, Costa and Morris).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Trade

Background: The Washington Thoroughbred Racing Fund was created in 1991. Licensees who were nonprofit corporations and had race meets of 30 days or more were required to pay to the Horse Racing Commission 2.5 percent of their daily gross receipts. The commission was required to deposit these funds into the Washington Thoroughbred Racing Fund (the fund). The only operator required to contribute to the fund under this provision was the nonprofit Emerald Racing Association (Emerald), that operated Longacres Park in its final two years of existence. During that time, Emerald contributed over \$8,000,000 to the Washington Thoroughbred Racing Fund.

Money in the fund could be spent only after legislative appropriation and for the following purposes: (1) support of the interim continuation of thoroughbred racing; (2) capital construction of a new race track facility; and (3) programs enhancing the general welfare, safety, and advancement of Washington's thoroughbred racing industry.

After Longacres closed in 1992, Emerald was awarded the license to operate the 1993 summer races at Yakima Meadows. In 1993, the Legislature reduced the amount contributed to the Thoroughbred Racing Fund to 1.25 percent of daily gross receipts and allowed Emerald to retain the other 1.25 percent to enhance purses for winning horses. Also in 1993, \$8.2 million was appropriated from the fund to the Horse Racing Commission subject to certain restrictions. Expenditures must protect the state's long-term interest in the continuation and development of thoroughbred racing. No money could be spent until the Horse Racing Commission determined that an applicant for a new race track had the ability to complete construction of the facility and fund its operation, and the applicant had completed all the permit requirements

for construction of the new facility. No expenditures have been made from this fund.

In 1994, the Legislature allowed Emerald to retain the 1.25 percent of daily gross receipts that it had been contributing to the Thoroughbred Racing Fund, and deposit that amount into an escrow or trust account for construction of a new race track facility in western Washington. This arrangement was to continue until June 1, 1995. Thereafter, 2.5 percent would again go to the commission for deposit into the Thoroughbred Racing Fund. If no race track is built by 2001, all money in the escrow or trust account reverts to the state general fund.

Summary: A non-profit licensee having race meets of 30 days or more, may continue to retain 2.5 percent of its daily gross receipts but must continue to dedicate 1.25 percent to enhance purses and to deposit 1.25 percent to be deposited in a trust account for construction of a new facility in western Washington. No termination date is specified and no future contribution to the Thoroughbred Racing Fund is required.

Votes on Final Passage:

House	95	2
Senate	43	0

Effective: May 1, 1995