

SENATE BILL REPORT

SB 5281

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 13, 1995

Title: An act relating to Washington thoroughbred racing.

Brief Description: Promoting horse racing.

Sponsors: Senators Heavey, Pelz, Roach, Deccio, Kohl, West, Drew and Rasmussen.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/31/95, 2/13/95 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5281 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse and Palmer.

Staff: Max Williams (786-7439)

Background: In 1991, the Legislature required licensed nonprofit corporations that have race meets of 30 days or more to pay 2.5 percent of their daily gross receipts to the Horse Racing Commission for deposit into the Washington Thoroughbred Fund. The only operator required to contribute to the fund under this provision was the nonprofit Emerald Racing Association. In 1993, legislation reduced Emerald's contribution to the fund to 1.25 percent, and required Emerald to use the additional money it retained to enhance purses for the owners of winning horses. In 1994, further legislation allowed the 1.25 percent previously deposited into the thoroughbred fund, to be deposited into escrow or trust accounts, solely for the construction of a new race track facility in western Washington.

Currently, 1.25 percent is withheld for the purses, and 1.25 percent is deposited into a trust account. Both provisions terminate on June 1, 1995, when the licensees will be required to put the entire 2.5 percent of daily gross receipts back into the Washington Thoroughbred Fund.

The thoroughbred fund has collected approximately \$8.2 million. The trust account created in 1994 has collected approximately \$1 million.

Summary of Substitute Bill: The termination date of June 1, 1995, for the provisions that earmark 1.25 percent of daily gross receipts for purse enhancement and 1.25 percent to an escrow or trust account is eliminated. All funds currently in the Washington thoroughbred racing fund are appropriated to the Washington State Horse Racing Commission to be used only to benefit and support the continuation of racing, capital construction of a new race

track facility in western Washington, and general advancement of the Washington thoroughbred racing industry.

Substitute Bill Compared to Original Bill: A technical change is made to clarify Legislature's intent to promote a new race track facility in western Washington.

Appropriation: Unspecified.

Fiscal Note: Available.

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

Testimony For: Breeders and owners have benefited greatly from the purse enhancements. Their continuation will help Washington breeders compete. The purse enhancements, coupled with the set-aside for a new race facility, are fueling the industry.

Testimony Against: None.

Testified: PRO: Marie Clifford, Emerald Racing Assn.; Ralph Vacca, WA Thoroughbred Breeders Assn.; Carl Blaze, Washington HBPA.