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ENGROSSED SUBSTITUTE HOUSE BILL 2926

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State of Washington

54th Legislature

1996 Regular Session

By House Committee on Finance (originally sponsored by Representatives Silver, Mastin and Robertson)

Read first time 02/06/96.

1 AN ACT Relating to the thoroughbred industry; amending RCW  
2 67.16.105, 67.16.170, and 67.16.100; adding a new section to chapter  
3 82.04 RCW; adding a new section to chapter 82.08 RCW; and adding a new  
4 section to chapter 82.12 RCW.

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

6 **Sec. 1.** RCW 67.16.105 and 1995 c 173 s 2 are each amended to read  
7 as follows:

8 (1) Licensees of race meets that are nonprofit in nature, are of  
9 ten days or less, and have an average daily handle of one hundred  
10 twenty thousand dollars or less shall withhold and pay to the  
11 commission daily for each authorized day of racing one-half percent of  
12 the daily gross receipts from all parimutuel machines at each race  
13 meet.

14 (2) Except under (c) of this subsection, licensees of race meets  
15 that do not fall under subsection (1) of this section shall withhold  
16 and pay to the commission daily for each authorized day of racing the  
17 following applicable percentage of all daily gross receipts from all  
18 parimutuel machines at each race meet:

1 (a) If the daily gross receipts of all parimutuel machines are more  
2 than two hundred fifty thousand dollars, the licensee shall withhold  
3 and pay to the commission daily two and (~~one-half~~) three-tenths  
4 percent of the daily gross receipts; and

5 (b) If the daily gross receipts of all parimutuel machines are two  
6 hundred fifty thousand dollars or less, the licensee shall withhold and  
7 pay to the commission daily eight-tenths of one percent of the daily  
8 gross receipts.

9 (c) Until January 1, 2001, licensees who have race meets of thirty  
10 days or more and who operate a race track in counties having a  
11 population over three hundred fifty thousand and under one million  
12 shall retain and not pay to the commission those sums required under  
13 (a) and (b) of this subsection.

14 (3) In addition to those amounts in subsections (1) and (2) of this  
15 section, all licensees shall forward one-tenth of one percent of the  
16 daily gross receipts of all parimutuel machines to the commission daily  
17 for payment to those nonprofit race meets as set forth in RCW 67.16.130  
18 and subsection (1) of this section, but said percentage shall not be  
19 charged against the licensees. The total of such payments shall not  
20 exceed one hundred fifty thousand dollars in any one year and any  
21 amount in excess of one hundred fifty thousand dollars shall be  
22 remitted to the general fund. Payments to nonprofit race meets under  
23 this subsection shall be distributed on a pro rata per-race-day basis  
24 and used only for purses at race tracks that have been operating under  
25 RCW 67.16.130 and subsection (1) of this section for the five  
26 consecutive years immediately preceding the year of payment.

27 (4) In addition to those sums paid to the commission in subsection  
28 (2) of this section, licensees who are nonprofit corporations and have  
29 race meets of thirty days or more shall retain and dedicate: (a) An  
30 amount equal to one and one-quarter percent of the daily gross receipts  
31 of all parimutuel machines at each race meet to be used solely for the  
32 purpose of increasing purses; and (b) an amount equal to one and one-  
33 quarter percent of the daily gross receipts of all parimutuel machines  
34 at each race meet to be deposited in an escrow or trust account and  
35 used solely for construction of a new thoroughbred race track facility  
36 in western Washington. Said percentages shall come from that amount  
37 the licensee is authorized to retain under RCW 67.16.170(2). The  
38 commission shall adopt such rules as may be necessary to enforce this  
39 subsection.

1 (5) In the event the new race track is not constructed before  
2 January 1, 2001, all funds including interest, remaining in the escrow  
3 or trust account established in subsection (4) of this section, shall  
4 revert to the state general fund.

5 **Sec. 2.** RCW 67.16.170 and 1991 c 270 s 8 are each amended to read  
6 as follows:

7 (1) Licensees of race meets that are nonprofit in nature, are of  
8 ten days or less, and have an average daily handle of one hundred  
9 twenty thousand dollars or less may retain daily for each authorized  
10 day of racing fourteen and one-half percent of daily gross receipts of  
11 all parimutuel machines at each race meet.

12 (2) Licensees of race meets that do not fall under subsection (1)  
13 of this section may retain daily for each authorized day of racing the  
14 following percentages from the daily gross receipts of all parimutuel  
15 machines at each race meet:

16 (a) If the daily gross receipts of all parimutuel machines are more  
17 than two hundred fifty thousand dollars, the licensee may retain daily  
18 twelve and ~~((one-half))~~ seven-tenths percent of the daily gross  
19 receipts; and

20 (b) If the daily gross receipts of all parimutuel machines are two  
21 hundred fifty thousand dollars or less, the licensee may retain daily  
22 fourteen and two-tenths percent of the daily gross receipts.

23 **Sec. 3.** RCW 67.16.100 and 1995 c 399 s 166 are each amended to  
24 read as follows:

25 (1) All sums paid to the commission under this chapter, including  
26 those sums collected for license fees and excluding those sums  
27 collected under RCW 67.16.102, 67.16.105(3), and 67.16.105(4), shall be  
28 disposed of by the commission as follows:

29 (a) Fifty percent thereof shall be retained by the commission for  
30 the payment of the salaries of its members, secretary, clerical,  
31 office, and other help and all expenses incurred in carrying out the  
32 provisions of this chapter. No salary, wages, expenses, or  
33 compensation of any kind shall be paid by the state in connection with  
34 the work of the commission.

35 (b) ~~((One percent shall, on the next business day following the  
36 receipt thereof, be paid to the state treasurer to be deposited in the  
37 general fund.~~

1       ~~(c) Three percent shall, on the next business day following the~~  
2 ~~receipt thereof, be paid to the state treasurer, who is hereby made ex~~  
3 ~~officio treasurer of a fund to be known as the "state trade fair fund"~~  
4 ~~which shall be maintained as a separate and independent fund, and made~~  
5 ~~available to the director of community, trade, and economic development~~  
6 ~~for the sole purpose of assisting state trade fairs.~~

7       ~~(d) Forty-six~~) Fifty percent shall be paid to the state treasurer,  
8 who is hereby made ex officio treasurer of a fund to be known as the  
9 "fair fund," which shall be maintained as a separate and independent  
10 fund outside of the state treasury, and made available to the director  
11 of agriculture for the sole purpose of assisting fairs in the manner  
12 provided in Title 15 RCW.

13       (2) Any moneys collected or paid to the commission under the terms  
14 of this chapter and not expended at the close of the fiscal biennium  
15 shall be paid to the state treasurer and be placed in the general fund.  
16 The commission may, with the approval of the office of financial  
17 management, retain any sum required for working capital.

18       NEW SECTION. Sec. 4. A new section is added to chapter 82.04 RCW  
19 to read as follows:

20       This chapter shall not apply to any person in respect to the  
21 business of raising, breeding, training, or selling thoroughbred race  
22 horses. This chapter shall not apply to any person in respect to the  
23 business of conducting race meets for the conduct of which a license  
24 must be secured from the horse racing commission; nor shall this  
25 chapter apply to any amounts received as purses for thoroughbred races.

26       NEW SECTION. Sec. 5. A new section is added to chapter 82.08 RCW  
27 to read as follows:

28       The tax levied by RCW 82.08.020 shall not apply to sales of feed  
29 sold for thoroughbred race horses.

30       NEW SECTION. Sec. 6. A new section is added to chapter 82.12 RCW  
31 to read as follows:

32       The provisions of this chapter shall not apply in respect to the  
33 use of feed for thoroughbred race horses.

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