
ENGROSSED SUBSTITUTE SENATE BILL 5762

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Heavey, West, Schow, Deccio, Rasmussen, Brown, McCaslin and Goings)

Read first time 02/27/97.

1 AN ACT Relating to benefiting the equine industry by parimutuel
2 satellite and simulcast wagering restricted to live racing facilities
3 and providing lottery games; amending RCW 67.16.050, 67.16.105, and
4 67.16.200; creating a new section; repealing RCW 67.16.190 and
5 67.16.250; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that Washington's
8 equine racing industry creates economic, environmental, and
9 recreational impacts across the state affecting agriculture, horse
10 breeding, the horse training industry, agricultural fairs and youth
11 programs, and tourism and employment opportunities. The Washington
12 equine industry has incurred a financial decline stemming from the
13 direct competition of gambling enterprises operated within the state.
14 This act is necessary to preserve, restore, and revitalize the equine
15 breeding and racing industries and to preserve in Washington the
16 economic impacts associated with these industries. This act is not a
17 new form of gaming in Washington. Tribal state compacts for class III
18 gaming may not be amended based upon this act.

1 **Sec. 2.** RCW 67.16.050 and 1985 c 146 s 3 are each amended to read
2 as follows:

3 Every person making application for license to hold a race meet,
4 under the provisions of this chapter shall file an application with the
5 commission which shall set forth the time, the place, the number of
6 days such meet will continue, and such other information as the
7 commission may require. The commission shall be the sole judge of
8 whether or not the race meet shall be licensed and the number of days
9 the meet shall continue. No person who has been convicted of any crime
10 involving moral turpitude shall be issued a license, nor shall any
11 license be issued to any person who has violated the terms or
12 provisions of this chapter, or any of the rules and regulations of the
13 commission made pursuant thereto, or who has failed to pay to the
14 commission any or all sums required under the provisions of this
15 chapter. The license shall specify the number of days the race meet
16 shall continue and the number of races per day, which shall ~~((be))~~
17 include not less than six nor more than eleven live races per day, and
18 for which a fee shall be paid daily in advance of five hundred dollars
19 for each live race day for those ~~((meets))~~ licensees which had gross
20 receipts from parimutuel machines in excess of fifty million dollars in
21 the previous year and two hundred dollars for each day for meets which
22 had gross receipts from parimutuel machines at or below fifty million
23 dollars in the previous year; in addition any newly authorized live
24 race meets shall pay two hundred dollars per day for the first year:
25 PROVIDED, That if unforeseen obstacles arise, which prevent the
26 holding, or completion of any race meet, the license fee for the meet,
27 or for a portion which cannot be held may be refunded the licensee, if
28 the commission deems the reasons for failure to hold or complete the
29 race meet sufficient. Any unexpired license held by any person who
30 violates any of the provisions of this chapter, or any of the rules or
31 regulations of the commission made pursuant thereto, or who fails to
32 pay to the commission any and all sums required under the provisions of
33 this chapter, shall be subject to cancellation and revocation by the
34 commission. Such cancellation shall be made only after a summary
35 hearing before the commission, of which three days' notice, in writing,
36 shall be given the licensee, specifying the grounds for the proposed
37 cancellation, and at which hearing the licensee shall be given an
38 opportunity to be heard in opposition to the proposed cancellation.

1 **Sec. 3.** RCW 67.16.105 and 1995 c 173 s 2 are each amended to read
2 as follows:

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

9 (2) Licensees ~~((of race meets))~~ that do not fall under subsection
10 (1) of this section shall withhold and pay to the commission ~~((daily~~
11 ~~for each authorized day of racing))~~ the following applicable percentage
12 of all daily gross receipts from ~~((all))~~ its in-state parimutuel
13 machines ~~((at each race meet))~~:

14 (a) If the daily gross receipts of all its in-state parimutuel
15 machines are more than two hundred fifty thousand dollars, the licensee
16 shall withhold and pay to the commission daily two and one-half percent
17 of the daily gross receipts; and

18 (b) If the daily gross receipts of all its in-state parimutuel
19 machines are two hundred fifty thousand dollars or less, the licensee
20 shall withhold and pay to the commission daily one percent of the daily
21 gross receipts.

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

36 ~~((4) In addition to those sums paid to the commission in~~
37 ~~subsection (2) of this section, licensees who are nonprofit~~
38 ~~corporations and have race meets of thirty days or more shall retain~~
39 ~~and dedicate: (a) An amount equal to one and one quarter percent of~~

1 the daily gross receipts of all parimutuel machines at each race meet
2 to be used solely for the purpose of increasing purses; and (b) an
3 amount equal to one and one quarter percent of the daily gross receipts
4 of all parimutuel machines at each race meet to be deposited in an
5 escrow or trust account and used solely for construction of a new
6 thoroughbred race track facility in western Washington. Said
7 percentages shall come from that amount the licensee is authorized to
8 retain under RCW 67.16.170(2). The commission shall adopt such rules
9 as may be necessary to enforce this subsection.

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

14 **Sec. 4.** RCW 67.16.200 and 1991 c 270 s 10 are each amended to read
15 as follows:

16 (1) A racing association licensed by the commission to conduct a
17 race meet may seek approval from the commission to conduct parimutuel
18 wagering on its program at a satellite location or locations within the
19 state of Washington. The sale of parimutuel pools at satellite
20 locations shall be conducted only during the licensee's race meet and
21 simultaneous to all parimutuel wagering activity conducted at the
22 licensee's live racing facility in the state of Washington. The
23 commission's authority to approve satellite wagering at a particular
24 location is subject to the following limitations:

25 (a) The commission may approve only one satellite location in each
26 county in the state; however, the commission may grant approval for
27 more than one licensee to conduct wagering at each satellite
28 location((-

29 (b) The commission shall not allow a licensee to conduct satellite
30 wagering at a satellite location within twenty ground miles of the
31 licensee's racing facility. For purposes of this section, "ground
32 miles" means miles measured from point to point in a straight line.

33 (c)(i) The commission may allow a licensee to conduct satellite
34 wagering at a satellite location within fifty ground miles of the
35 racing facility of another licensee who conducts race meets of thirty
36 days or more, but only if the satellite location is the racing facility
37 of another licensee who conducts race meets of thirty days or more and
38 only if the licensee seeking to conduct satellite wagering suspends its

1 program during the conduct of the meets of all licensees within fifty
2 ground miles; except that the commission may allow a licensee that
3 conducts satellite wagering at another track, pursuant to this
4 subsection, to use other satellite locations, used by that track with
5 the approval of the owner of that track, even though those satellite
6 locations are within a fifty ground mile radius.

7 (ii) Subject to subsection (1)(c)(i) of this section, the
8 commission may allow a licensee to conduct satellite wagering at a
9 satellite location within fifty ground miles of the racing facility of
10 another licensee who conducts race meets of under thirty days, but only
11 if the licensee seeking to conduct satellite wagering suspends its
12 satellite program during the conduct of the meets of all licensees
13 within fifty ground miles)). A satellite location shall not be
14 operated within twenty driving miles of any class 1 racing facility.
15 For the purposes of this section, "driving miles" means miles measured
16 by the most direct route as determined by the commission; and

17 (b) A licensee shall not conduct satellite wagering at any
18 satellite location within sixty driving miles of any other racing
19 facility conducting a live race meet.

20 (2) Subject to local zoning and other land use ordinances, the
21 commission shall be the sole judge of whether approval to conduct
22 wagering at a satellite location shall be granted.

23 (3) The licensee shall combine the parimutuel pools of the
24 satellite location with those of the racing facility for the purpose of
25 determining odds and computing payoffs. The amount wagered at the
26 satellite location shall be combined with the amount wagered at the
27 racing facility for the application of take out formulas and
28 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and
29 67.16.175. A satellite extension of the licensee's racing facility
30 shall be subject to the same application of the rules of racing as the
31 licensee's racing facility.

32 (4) Upon written application to the commission, a class 1 racing
33 association may be authorized to transmit simulcasts of live horse
34 racetrack to locations outside of the state of
35 Washington approved by the commission and in accordance with the
36 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or
37 any other applicable laws. The commission may permit parimutuel pools
38 on the simulcast races to be combined in a common pool. A racing
39 association that transmits simulcasts of its races to locations outside

1 this state shall pay at least fifty percent of the fee that it receives
2 for sale of the simulcast signal to the horsemen's purse account for
3 its live races after first deducting the actual cost of sending the
4 signal out of state.

5 (5) Upon written application to the commission, a class 1 racing
6 association may be authorized to transmit simulcasts of live horse
7 races conducted at its racetrack to licensed racing associations
8 located within the state of Washington and approved by the commission
9 for the receipt of the simulcasts. The commission shall permit
10 parimutuel pools on the simulcast races to be combined in a common
11 pool. The fee for in-state, track-to-track simulcasts shall be five
12 and one-half percent of the gross parimutuel receipts generated at the
13 receiving location and payable to the sending racing association. A
14 racing association that transmits simulcasts of its races to other
15 licensed racing associations shall pay at least fifty percent of the
16 fee that it receives for the simulcast signal to the horsemen's purse
17 account for its live race meet after first deducting the actual cost of
18 sending the simulcast signal. A racing association that receives races
19 simulcast from class 1 racing associations within the state shall pay
20 at least fifty percent of its share of the parimutuel receipts to the
21 horsemen's purse account for its live race meet after first deducting
22 the purchase price and the actual direct costs of importing the race.

23 (6) A class 1 racing association may be allowed to import
24 simulcasts of horse races from out-of-state racing facilities. With
25 the prior approval of the commission, the class 1 racing association
26 may participate in an interstate common pool and may change its
27 commission and breakage rates to achieve a common rate with other
28 participants in the common pool.

29 (a) The class 1 racing association shall make written application
30 with the commission for permission to import simulcast horse races for
31 the purpose of parimutuel wagering. Subject to the terms of this
32 section, the commission is the sole authority in determining whether to
33 grant approval for an imported simulcast race.

34 (b) During the conduct of its race meeting, a class 1 racing
35 association may be allowed to import no more than one simulcast race
36 card program during each live race day. A licensed racing association
37 may also be approved to import one simulcast race of regional or
38 national interest on each live race day. A class 1 racing association
39 may be permitted to import two simulcast programs on two nonlive race

1 days per each week during its live meet. A licensee shall not operate
2 parimutuel wagering on more than five days per week. Parimutuel
3 wagering on imported simulcast programs shall only be conducted at the
4 live racing facility of a class 1 racing association.

5 (c) The commission may allow simulcast races of regional or
6 national interest to be sent to satellite locations. The simulcasts
7 shall be limited to one per day except for Breeder's Cup special events
8 day.

9 (d) When open for parimutuel wagering, a class 1 racing association
10 which imports simulcast races shall also conduct simulcast parimutuel
11 wagering within its licensed racing enclosure on all races simulcast
12 from other class 1 racing associations within the state of Washington.

13 (e) When not conducting a live race meeting, a class 1 racing
14 association may be approved to conduct simulcast parimutuel wagering on
15 imported simulcast races. The conduct of simulcast parimutuel wagering
16 on the simulcast races shall be for not more than twelve hours during
17 any twenty-four hour period, for not more than five days per week and
18 only at its live racing facility.

19 (f) On any imported simulcast race, the class 1 racing association
20 shall pay fifty percent of its share of the parimutuel receipts to the
21 horsemen's purse account for its live race meet after first deducting
22 the purchase price of the imported race and the actual costs of
23 importing the race.

24 (7) For purposes of this section, a class 1 racing association is
25 defined as a licensee approved by the commission which conducts during
26 each twelve-month period at least forty days of live racing within four
27 successive calendar months. The commission may by rule increase the
28 number of live racing days required to maintain class 1 racing
29 association status.

30 (8) This section does not establish a new form of gaming in
31 Washington or allow expanded gaming within the state beyond what has
32 been previously authorized. This section is necessary to protect the
33 Washington equine breeding and racing industries. The purpose of this
34 section is to protect live horseracing and promote fan attendance at
35 class I racing facilities. Therefore, imported simulcast race card
36 programs shall not be disseminated to any location outside the live
37 racing facility of the class I racing association and tribal-state
38 compacts for class III gaming shall not be amended based upon this
39 section.

1 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
2 repealed:

- 3 (1) RCW 67.16.190 and 1985 c 146 s 12 & 1981 c 70 s 3; and
4 (2) RCW 67.16.250 and 1994 c 159 s 3 & 1991 c 270 s 12.

5 NEW SECTION. **Sec. 6.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and takes effect
12 immediately.

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