

2 **ESHB 1571** - S AMD TO LCF COMM AMD (S-2475.1/01) AMD 378
3 By Senators Prentice and West

4 ADOPTED 04/21/01

5 Beginning on page 1, strike everything after line 6 of the
6 amendment and insert the following:

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 coinciding with
13 increased competition from the gaming industry in the state and from
14 the lack of a class 1 racing facility in western Washington from 1993
15 through 1995. This act is necessary to preserve, restore, and
16 revitalize the equine breeding and racing industries and to preserve in
17 Washington the economic and social impacts associated with these
18 industries. Preserving Washington's equine breeding and racing
19 industries, and in particular those sectors of the industries that are
20 dependent upon live horse racing, is in the public interest of the
21 state. The purpose of this act is to preserve Washington's equine
22 breeding and racing industries and to protect these industries from
23 adverse economic impacts. This act does not establish a new form of
24 gaming in Washington or allow expanded gaming within the state beyond
25 what has been previously authorized. Simulcast wagering has been
26 allowed in Washington before the effective date of this act.
27 Therefore, this act does not allow gaming of any nature or scope that
28 was prohibited before the effective date of this act.

29 **Sec. 2.** RCW 67.16.200 and 2000 c 223 s 1 are each amended to read
30 as follows:

31 (1) A racing association licensed by the commission to conduct a
32 race meet may seek approval from the commission to conduct parimutuel
33 wagering on its program at a satellite location or locations within the
34 state of Washington. The sale of parimutuel pools at satellite
35 locations shall be conducted only during the licensee's race meet and

1 simultaneous to all parimutuel wagering activity conducted at the
2 licensee's live racing facility in the state of Washington. The
3 commission's authority to approve satellite wagering at a particular
4 location is subject to the following limitations:

5 (a) The commission may approve only one satellite location in each
6 county in the state; however, the commission may grant approval for
7 more than one licensee to conduct wagering at each satellite location.
8 A satellite location shall not be operated within twenty driving miles
9 of any class 1 racing facility. For the purposes of this section,
10 "driving miles" means miles measured by the most direct route as
11 determined by the commission; and

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

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

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

27 (4) Upon written application to the commission, a class 1 racing
28 association may be authorized to transmit simulcasts of live horse
29 races conducted at its racetrack to locations outside of the state of
30 Washington approved by the commission and in accordance with the
31 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or
32 any other applicable laws. The commission may permit parimutuel pools
33 on the simulcast races to be combined in a common pool. A racing
34 association that transmits simulcasts of its races to locations outside
35 this state shall pay at least fifty percent of the fee that it receives
36 for sale of the simulcast signal to the horsemen's purse account for
37 its live races after first deducting the actual cost of sending the
38 signal out of state.

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

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

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

30 (b) (~~During the conduct of its race meeting, a class 1 racing~~
31 ~~association may be allowed to import no more than one simulcast race~~
32 ~~card program during each live race day.)) A licensed racing
33 association may also be approved to import one simulcast race of
34 regional or national interest on each live race day. (~~A class 1~~
35 ~~racing association may be permitted to import two simulcast programs on~~
36 ~~two nonlive race days per each week during its live meet. A licensee~~
37 ~~shall not operate parimutuel wagering on more than five days per week.~~
38 ~~Parimutuel wagering on imported simulcast programs shall only be~~~~

1 conducted at the live racing facility of a class 1 racing
2 association.))

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

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

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

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

23 (7) For purposes of this section, a class 1 racing association is
24 defined as a licensee approved by the commission to conduct during each
25 twelve-month period at least forty days of live racing. If a live race
26 day is canceled due to reasons directly attributable to acts of God,
27 labor disruptions affecting live race days but not directly involving
28 the licensee or its employees, or other circumstances that the
29 commission decides are beyond the control of the class 1 racing
30 association, then the canceled day counts toward the forty-day
31 requirement. The commission may by rule increase the number of live
32 racing days required to maintain class 1 racing association status or
33 make other rules necessary to implement this section.

34 (8) This section does not establish a new form of gaming in
35 Washington or allow expanded gaming within the state beyond what has
36 been previously authorized. Simulcast wagering has been allowed in
37 Washington before April 19, 1997. Therefore, this section does not
38 allow gaming of any nature or scope that was prohibited before April
39 19, 1997. This section is necessary to protect the Washington equine

1 breeding and racing industries, and in particular those sectors of
2 these industries that are dependent upon live horse racing. The
3 purpose of this section is to protect these industries from actual and
4 potential adverse economic impacts and to promote fan attendance at
5 class 1 racing facilities. Therefore, imported simulcast race card
6 programs shall not be disseminated to any location outside the live
7 racing facility of the class 1 racing association and a class 1 racing
8 association is strictly prohibited from simulcasting imported race card
9 programs to any location outside its live racing facility.

10 (9) A licensee conducting simulcasting under this section shall
11 place signs in the licensee's gambling establishment under RCW
12 9.46.071. The informational signs concerning problem and compulsive
13 gambling must include a toll-free telephone number for problem and
14 compulsive gamblers and be developed under RCW 9.46.071.

15 (10) This act does not establish a new form of gaming in Washington
16 or allow expanded gaming within the state beyond what has been
17 previously authorized. Simulcast wagering has been allowed in
18 Washington before the effective date of this act. Therefore, this
19 section does not allow gaming of any nature or scope that was
20 prohibited before the effective date of this act. This act is
21 necessary to protect the Washington equine breeding and racing
22 industries, and in particular those sectors of these industries that
23 are dependent upon live horse racing. The purpose of this act is to
24 protect these industries from adverse economic impacts and to promote
25 fan attendance at class 1 racing facilities. Therefore, imported
26 simulcast race card programs shall not be disseminated to any location
27 outside the live racing facility of the class 1 racing association and
28 a class 1 racing association is strictly prohibited from simulcasting
29 imported race card programs to any location outside its live racing
30 facility.

31 (11) If a state or federal court makes a finding that the increase
32 in the number of imported simulcast races that may be authorized under
33 this act is an expansion of gaming beyond that which is now allowed,
34 this act is null and void.

35 (12) If any provision of this act or its application to any person
36 or circumstance is held invalid, the remainder of this act or the
37 application of the provision to other persons or circumstances is also
38 invalid."

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2 By Senators Prentice and West

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4 On page 4, line 28 of the title amendment, strike everything after
5 "insert" and insert "amending RCW 67.16.200; and creating a new
6 section."

EFFECT: Clarifies legislative intent that the act is necessary to preserve the equine industry and that import simulcast racing shall not be disseminated to any location outside the live racing facility of a class 1 racing association. Adds a null and void clause based on future possible court actions, and makes the entire act invalid if the court determines provisions of the act invalid.

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