

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5407

57th Legislature
2001 First Special Session

Passed by the Senate May 21, 2001
YEAS 32 NAYS 9

President of the Senate

Passed by the House May 23, 2001
YEAS 61 NAYS 32

**Speaker of the
House of Representatives**

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5407** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5407

Passed Legislature - 2001 Regular Session

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions
(originally sponsored by Senators West, Prentice, Kohl-Welles, Gardner
and Rasmussen)

READ FIRST TIME 02/26/01.

1 AN ACT Relating to changing provisions relating to the import of
2 simulcast horse races from out-of-state racing facilities to class 1
3 racing associations' live racing facilities; amending RCW 67.16.200;
4 and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that Washington's
7 equine racing industry creates economic, environmental, and
8 recreational impacts across the state affecting agriculture, horse
9 breeding, the horse training industry, agricultural fairs and youth
10 programs, and tourism and employment opportunities. The Washington
11 equine industry has incurred a financial decline coinciding with
12 increased competition from the gaming industry in the state and from
13 the lack of a class 1 racing facility in western Washington from 1993
14 through 1995. This act is necessary to preserve, restore, and
15 revitalize the equine breeding and racing industries and to preserve in
16 Washington the economic and social impacts associated with these
17 industries. Preserving Washington's equine breeding and racing
18 industries, and in particular those sectors of the industries that are
19 dependent upon live horse racing, is in the public interest of the

1 state. The purpose of this act is to preserve Washington's equine
2 breeding and racing industries and to protect these industries from
3 adverse economic impacts. This act does not establish a new form of
4 gaming in Washington or allow expanded gaming within the state beyond
5 what has been previously authorized. Simulcast wagering has been
6 allowed in Washington before the effective date of this act.
7 Therefore, this act does not allow gaming of any nature or scope that
8 was prohibited before the effective date of this act.

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

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

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

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

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

33 (3) The licensee shall combine the parimutuel pools of the
34 satellite location with those of the racing facility for the purpose of
35 determining odds and computing payoffs. The amount wagered at the
36 satellite location shall be combined with the amount wagered at the
37 racing facility for the application of take out formulas and
38 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and

1 67.16.175. A satellite extension of the licensee's racing facility
2 shall be subject to the same application of the rules of racing as the
3 licensee's racing facility.

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

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

34 (6) A class 1 racing association may be allowed to import
35 simulcasts of horse races from out-of-state racing facilities. With the
36 prior approval of the commission, the class 1 racing association may
37 participate in an interstate common pool and may change its commission
38 and breakage rates to achieve a common rate with other participants in
39 the common pool.

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

6 ~~((During the conduct of its race meeting, a class 1 racing
7 association may be allowed to import no more than one simulcast race
8 card program during each live race day.))~~ A licensed racing
9 association may also be approved to import one simulcast race of
10 regional or national interest on each live race day. ~~((A class 1
11 racing association may be permitted to import two simulcast programs on
12 two nonlive race days per each week during its live meet. A licensee
13 shall not operate parimutuel wagering on more than five days per week.
14 Parimutuel wagering on imported simulcast programs shall only be
15 conducted at the live racing facility of a class 1 racing
16 association.))~~

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

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

25 (e) ~~((When not conducting a live race meeting, a class 1 racing
26 association may be approved to conduct simulcast parimutuel wagering on
27 imported simulcast races.))~~ The conduct of ~~((simulcast))~~ parimutuel
28 wagering on ~~((the))~~ imported simulcast races shall be for not more than
29 fourteen hours during any twenty-four hour period, for not more than
30 five days per week and only at ~~((its))~~ the live racing facility of a
31 class 1 racing association.

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

37 (7) For purposes of this section, a class 1 racing association is
38 defined as a licensee approved by the commission to conduct during each
39 twelve-month period at least forty days of live racing. If a live race

1 day is canceled due to reasons directly attributable to acts of God,
2 labor disruptions affecting live race days but not directly involving
3 the licensee or its employees, or other circumstances that the
4 commission decides are beyond the control of the class 1 racing
5 association, then the canceled day counts toward the forty-day
6 requirement. The commission may by rule increase the number of live
7 racing days required to maintain class 1 racing association status or
8 make other rules necessary to implement this section.

9 (8) This section does not establish a new form of gaming in
10 Washington or allow expanded gaming within the state beyond what has
11 been previously authorized. Simulcast wagering has been allowed in
12 Washington before April 19, 1997. Therefore, this section does not
13 allow gaming of any nature or scope that was prohibited before April
14 19, 1997. This section is necessary to protect the Washington equine
15 breeding and racing industries, and in particular those sectors of
16 these industries that are dependent upon live horse racing. The
17 purpose of this section is to protect these industries from adverse
18 economic impacts and to promote fan attendance at class 1 racing
19 facilities. Therefore, imported simulcast race card programs shall not
20 be disseminated to any location outside the live racing facility of the
21 class 1 racing association and a class 1 racing association is strictly
22 prohibited from simulcasting imported race card programs to any
23 location outside its live racing facility.

24 (9) A licensee conducting simulcasting under this section shall
25 place signs in the licensee's gambling establishment under RCW
26 9.46.071. The informational signs concerning problem and compulsive
27 gambling must include a toll-free telephone number for problem and
28 compulsive gamblers and be developed under RCW 9.46.071.

29 (10) This act does not establish a new form of gaming in Washington
30 or allow expanded gaming within the state beyond what has been
31 previously authorized. Simulcast wagering has been allowed in
32 Washington before the effective date of this act. Therefore, this
33 section does not allow gaming of any nature or scope that was
34 prohibited before the effective date of this act. This act is
35 necessary to protect the Washington equine breeding and racing
36 industries, and in particular those sectors of these industries that
37 are dependent upon live horse racing. The purpose of this act is to
38 protect these industries from adverse economic impacts and to promote
39 fan attendance at class 1 racing facilities. Therefore, imported

1 simulcast race card programs shall not be disseminated to any location
2 outside the live racing facility of the class 1 racing association and
3 a class 1 racing association is strictly prohibited from simulcasting
4 imported race card programs to any location outside its live racing
5 facility.

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

10 (12) If any provision of this act or its application to any person
11 or circumstance is held invalid, the remainder of this act or the
12 application of the provision to other persons or circumstances is also
13 invalid.

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