CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2678

Chapter 39, Laws of 2010

61st Legislature
2010 Regular Session

HORSE RACING COMMISSION--FUNDS DISTRIBUTION--NONPROFIT RACE MEETS

EFFECTIVE DATE: 06/10/10

Passed by the House February 13, 2010
Yeas 95  Nays 0

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate March 4, 2010
Yeas 47  Nays 1

BRAD OWEN
President of the Senate

Approved March 12, 2010, 2:28 p.m.

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is SUBSTITUTE HOUSE BILL 2678 as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER
Chief Clerk

FILED
March 12, 2010

CHRISTINE GREGOIRE
Governor of the State of Washington

SECRETARY OF STATE
State of Washington
AN ACT Relating to modifying distributions of funds by the horse racing commission to nonprofit race meets; and amending RCW 67.16.105.

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

Sec. 1. RCW 67.16.105 and 2004 c 246 s 7 are each amended to read as follows:

(1) Licensees of race meets that are nonprofit in nature and are of ten days or less shall be exempt from payment of a parimutuel tax.

(2) Licensees that do not fall under subsection (1) of this section shall withhold and pay to the commission daily for each authorized day of parimutuel wagering the following applicable percentage of all daily gross receipts from its in-state parimutuel machines:

(a) If the gross receipts of all its in-state parimutuel machines are more than fifty million dollars in the previous calendar year, the licensee shall withhold and pay to the commission daily 1.30 percent of the daily gross receipts; and

(b) If the gross receipts of all its in-state parimutuel machines are fifty million dollars or less in the previous calendar year, the licensee shall withhold and pay to the commission daily 1.803 percent of the daily gross receipts.
In addition to those amounts in subsection (2) of this section, a licensee shall forward one-tenth of one percent of the daily gross receipts of all its in-state parimutuel machines to the commission for payment to those nonprofit race meets as set forth in RCW 67.16.130 and subsection (1) of this section, but said percentage shall not be charged against the licensee.

Payments to nonprofit race meets under this subsection shall be distributed on a per-race-day basis and used only for purses at race tracks that have been operating under RCW 67.16.130 and subsection (1) of this section for the five consecutive years immediately preceding the year of payment.

As provided in this subsection, the commission shall distribute funds equal to fifteen thousand eight hundred dollars per race day from funds generated under subsection (2) of this section equal to the difference between:

(a)(i) Funds collected under this subsection (3);
(ii) Interest earned from the Washington horse racing commission operating account created in RCW 67.16.280; and
(iii) Fines imposed by the board of stewards in a calendar year; and
(b) Three hundred thousand dollars;
and distribute that amount under this subsection (3).

If the funds generated under subsection (3) of this section are not sufficient to fund purses equal to fifteen thousand eight hundred dollars per race day, the commission is authorized to fund these purses from the following in the order provided below:

(a) First from fines imposed by the board of stewards and the commission in a calendar year;
(b) Second from a commission approved percentage of any source market fee generated from advance deposit wagering as authorized in RCW 67.16.260;
(c) Third from interest earned from the Washington horse racing commission operating account created in RCW 67.16.280; and
(d) Fourth from the Washington horse racing commission operating account created in RCW 67.16.280.

Funds generated under subsection (3) of this section that are in excess of fifteen thousand eight hundred dollars per race day must...
be returned to the licensee or licensees from which the funds were collected.

(6) Funds generated from any of the sources listed in subsection (4) of this section that are not needed in a calendar year to fund purses under subsection (3) of this section must be deposited in the Washington horse racing commission operating account.

(7) Beginning July 1, 1999, at the conclusion of each authorized race meet, the commission shall calculate the mathematical average daily gross receipts of parimutuel wagering that is conducted only at the physical location of the live race meet at those race meets of licensees with gross receipts of all their in-state parimutuel machines of more than fifty million dollars. Such calculation shall include only the gross parimutuel receipts from wagering occurring on live racing dates, including live racing receipts and receipts derived from one simulcast race card that is conducted only at the physical location of the live racing meet, which, for the purposes of this subsection, is "the handle." If the calculation exceeds eight hundred eighty-six thousand dollars, the licensee shall within ten days of receipt of written notification by the commission forward to the commission a sum equal to the product obtained by multiplying 0.6 percent by the handle. Sums collected by the commission under this subsection shall be forwarded on the next business day following receipt thereof to the state treasurer to be deposited in the fair fund created in RCW 15.76.115.

Passed by the House February 13, 2010.
Passed by the Senate March 4, 2010.
Approved by the Governor March 12, 2010.
Filed in Office of Secretary of State March 12, 2010.