

WSR 24-11-112  
PROPOSED RULES

HORSE RACING COMMISSION  
[Filed May 20, 2024, 10:32 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 24-07-026.

Title of Rule and Other Identifying Information: WAC 260-49-070  
Distribution of source market fees.

Hearing Location(s): On June 28, 2024, at 9:30 a.m., via Zoom  
teleconference. Link will be available at [www.whrc.wa.gov](http://www.whrc.wa.gov) prior to the  
meeting.

Date of Intended Adoption: June 28, 2024.

Submit Written Comments to: Amanda Benton, 6326 Martin Way, Suite  
209, email [Amanda.benton@whrc.wa.gov](mailto:Amanda.benton@whrc.wa.gov), fax 360-459-6461, beginning May  
21, 2024, at 8:00 a.m., by June 14, 2024, at 4:00 p.m.

Assistance for Persons with Disabilities: Contact Melanie Bowd-  
ish, phone 360-459-6462, fax 360-459-6461, email  
[melanie.bowdish@whrc.wa.gov](mailto:melanie.bowdish@whrc.wa.gov), by June 14, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including  
Any Changes in Existing Rules: The Washington horse racing commission  
(WHRC) may need to adjust the source market fee distribution to re-  
flect a change in duties performed by WHRC employees because a volun-  
tary agreement with the Horseracing Industry [Integrity and] Safety  
Authority (HISA) and/or the Horseracing Industry [Integrity and] Wel-  
fare Unit (HIWU) was signed.

Reasons Supporting Proposal: WHRC signed a voluntary agreement  
with HISA/HIWU for 2024 and some duties that were historically carried  
out by employees of WHRC, but not in 2023, will again be performed by  
employees of WHRC and we will need to collect fees to cover the cost  
of performing those duties.

Statutory Authority for Adoption: RCW 67.16.020.

Rule is not necessitated by federal law, federal or state court  
decision.

Name of Agency Personnel Responsible for Drafting, Implementa-  
tion, and Enforcement: Amanda Benton, 6326 Martin Way, Suite 209,  
Olympia, WA 98516, 360-459-6462.

A school district fiscal impact statement is not required under  
RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328.

The proposed rule does not impose more-than-minor costs on busi-  
nesses. Following is a summary of the agency's analysis showing how  
costs were calculated. Not business related.

May 20, 2023 [2024]  
Amanda Benton  
Executive Secretary

OTS-5419.1

AMENDATORY SECTION (Amending WSR 23-12-024, filed 5/26/23, effective 7/1/23)

**WAC 260-49-070 Distribution of source market fee.** (1) A source market fee shall be paid monthly, unless otherwise directed by the commission, for the source market fee area on all accounts that have Washington as the principal residence address.

(2) The authorized advance deposit wagering service provider shall, at least monthly, unless otherwise directed by the commission, distribute the total source market fee as follows:

(a) One hundred percent of the total source market fee directly to the class 1 racing association.

(b) The class 1 racing association shall submit monthly (~~(2.5)~~) 12.5 percent of the total source market fee to the commission of which 2.5 percent to be deposited into the Washington bred owners' bonus fund and (~~zero~~) 10 percent to be deposited into the commission's operating account.

(c) The class 1 racing association shall distribute (~~two and one-half~~) 2.5 percent of the total source market fee to the Washington bred breeder award account as provided in RCW 67.16.175.

(d) The class 1 racing association and the recognized horsemen's organization shall negotiate a separate agreement for contributions to the purse account from the source market fee and submit the agreement for review and approval by the commission. The class 1 racing association shall distribute the horsemen's share of the source market fee in accordance with the horseman's agreement.

(3) The commission shall annually review the distribution of the source market fee. Any changes to the distribution shall be adopted by rule.