

HOUSE BILL REPORT

SHB 2071

As Passed House:

March 9, 2005

Title: An act relating to exempting a horse racing license from public inspection.

Brief Description: Affording certain information held by the horse racing commission the same protection from public inspection as other regulated entities.

Sponsors: By House Committee on State Government Operations & Accountability (originally sponsored by Representatives Cody, P. Sullivan, Kenney and Dunn).

Brief History:

Committee Activity:

State Government Operations & Accountability: 2/28/05, 3/2/05 [DPS].

Floor Activity:

Passed House: 3/9/05, 96-0.

Brief Summary of Substitute Bill

- Exempts from public disclosure the applications for horse racing licenses.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Hannah Lidman (786-7291) and Marsha Reilly (786-7135).

Background:

Each state and local agency is required to make all public records available for public inspection and copying unless the record is exempted from disclosure. The Legislature has enacted a number of exemptions preventing disclosure of financial information contained in the applications for state licensing, including applications for gambling licenses.

Horse racing is not defined as gambling under the state's gambling law. As a result, the Office of the Attorney General has indicated that horse racing licenses are not covered under this exemption.

These exemptions do not apply when information, that would violate personal privacy or vital government interests, can be deleted or redacted from the record.

The Washington State Horse Racing Commission (Commission) issues licenses for which applications containing financial information are required. The three types of licenses issued by the Commission are:

- racetrack licenses, including three classes of licenses for owned, leased and nonprofit tracks;
- individual licenses for owners, trainers, jockeys, and attendants; and
- advance deposit wagering service provider licenses.

Advanced deposit wagering allows participants to pay for parimutuel wagers by telephone or other electronic means. Under an advanced deposit wagering system, an entity contracts with the racing association to provide communication services, and operates as a third party intermediary between the person placing the parimutuel wager and the organization conducting the horse racing meet. The licensing process requires applicants to be licensed to provide certain information, which can include information relating to terms and conditions negotiated between the applicant and the organization conducting horse racing meets.

Summary of Substitute Bill:

Certain financial information related to an application for a horse racing license is exempt from public disclosure. The emergency clause requires the exemptions to take immediate effect.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This legislation is necessary after the passage of legislation on paramutual wagering last year. Without this bill, the contracts with paramutual wagering vendors are open for public disclosure and have been requested by other potential vendors during negotiations. It extends to horse racing the same privileges that other regulatory agencies receive under the law. An emergency clause should be added.

Testimony Against: None.

Persons Testifying: Jim Halstrom and Susie Sourwine, Emerald Downs and Northwest Racing Associates; and Bob Leichner, Washington Horse Racing Commission.

Persons Signed In To Testify But Not Testifying: None.