

2 **ESHB 1120** - S AMD

3 By Senators Matson, Madsen, Skratek and Amondson

4 ADOPTED 4/23/91 - Voice Vote

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 67.16.010 and 1985 c 146 s 1 are each amended to read
8 as follows:

9 Unless the context otherwise requires, words and phrases as used
10 herein shall mean:

11 "Commission" shall mean the Washington horse racing commission,
12 hereinafter created.

13 "Parimutuel machine" shall mean and include both machines at the
14 track and machines at the satellite locations, that record parimutuel
15 bets and compute the payoff.

16 "Person" shall mean and include individuals, firms, corporations
17 and associations.

18 "Race meet" shall mean and include any exhibition of thoroughbred,
19 quarter horse, paint horse, appaloosa horse racing, arabian horse
20 racing, or standard bred harness horse racing, where the parimutuel
21 system is used.

22 Singular shall include the plural, and the plural shall include the
23 singular; and words importing one gender shall be regarded as including
24 all other genders."

25 "Sec. 2. RCW 67.16.014 and 1987 c 453 s 3 are each amended to read
26 as follows:

1 In addition to the commission members appointed under RCW
2 67.16.012, there shall be four ex officio nonvoting members consisting
3 of: (1) Two members of the senate, one from the majority political
4 party and one from the minority political party, both to be appointed
5 by the president of the senate; and (2) two members of the house of
6 representatives, one from the majority political party and one from the
7 minority political party, both to be appointed by the speaker of the
8 house of representatives. The appointments shall be for the term of
9 two years or for the period in which the appointee serves as a
10 legislator, whichever expires first. Members may be reappointed, and
11 vacancies shall be filled in the same manner as original appointments
12 are made. The ex officio members shall assist in the policy making,
13 rather than administrative, functions of the commission, and shall
14 collect data deemed essential to future legislative proposals and
15 exchange information with the commission. The ex officio members shall
16 be deemed engaged in legislative business while in attendance upon the
17 business of the commission and shall be limited to such allowances
18 therefor as otherwise provided in RCW 44.04.120, the same to be paid
19 from the horse racing commission fund as being expenses relative to
20 commission business.

21 (~~This section shall expire on October 31, 1991.~~)"

22 "**Sec. 3.** RCW 67.16.060 and 1985 c 146 s 4 are each amended to read
23 as follows:

24 (1) It shall be unlawful:

25 (a) To conduct pool selling, bookmaking, or to circulate hand
26 books; or

27 (b) To bet or wager on any horse race other than by the parimutuel
28 method; or

1 (c) For any licensee to take more than the percentage provided in
2 RCW 67.16.170 and 67.16.175; or

3 (d) For any licensee to compute breaks in the parimutuel system
4 otherwise than at ten cents.

5 (2) Any willful violation of the terms of this chapter, or of any
6 rule, regulation, or order of the commission shall constitute a gross
7 misdemeanor and when such violation is by a person holding a license
8 under this chapter, the commission may cancel the license held by the
9 offender, and such cancellation shall operate as a forfeiture of all
10 rights and privileges granted by the commission and of all sums of
11 money paid to the commission by the offender; and the action of the
12 commission in that respect shall be final.

13 (3) The commission shall have power to exclude from any and all
14 race courses of the state of Washington any person whom the commission
15 deems detrimental to the best interests of racing or any person who
16 willfully violates any of the provisions of this chapter or of any
17 rule, regulation, or order issued by the commission.

18 (4) Every race meet held in this state contrary to the provisions
19 of this chapter is hereby declared to be a public nuisance."

20 "Sec. 4. RCW 67.16.100 and 1985 c 466 s 67 & 1985 c 146 s 6 are
21 each reenacted and amended to read as follows:

22 ~~((In addition to the license fees required by this chapter, the
23 licensee shall pay to the commission the percentages of the gross
24 receipts of all parimutuel machines at each race meet in accordance
25 with RCW 67.16.105, which sums shall be paid daily to the commission.))~~

26 (1) All sums paid to the commission under this chapter, ((together
27 with all)) including those sums collected for license fees ((under the
28 provisions of this chapter)) and excluding those sums collected under

1 RCW 67.16.102, 67.16.105(3), and 67.16.105(4), shall be disposed of by
2 the commission as follows:

3 ~~((Twenty-two))~~ (a) Fifty percent thereof shall be retained by the
4 commission for the payment of the salaries of its members, secretary,
5 clerical, office, and other help and all expenses incurred in carrying
6 out the provisions of this chapter. No salary, wages, expenses, or
7 compensation of any kind shall be paid by the state in connection with
8 the work of the commission.

9 ~~((Forty))~~ (b) One percent shall, on the next business day following
10 the receipt thereof, be paid to the state treasurer to be deposited in
11 the general fund~~((, and))~~.

12 (c) Three percent shall, on the next business day following the
13 receipt thereof, be paid to the state treasurer, who is hereby made ex
14 officio treasurer of a fund to be known as the "state trade fair fund"
15 which shall be maintained as a separate and independent fund, and made
16 available to the director of trade and economic development for the
17 sole purpose of assisting state trade fairs.

18 ~~((Thirty-five))~~ (d) Forty-six percent shall be paid to the state
19 treasurer, who is hereby made ex officio treasurer of a fund to be
20 known as the "fair fund," which shall be maintained as a separate and
21 independent fund outside of the state treasury, and made available to
22 the director of agriculture for the sole purpose of assisting fairs in
23 the manner provided in Title 15 RCW.

24 (2) Any moneys collected or paid to the commission under the terms
25 of this chapter and not expended at the close of the fiscal biennium
26 shall be paid to the state treasurer and be placed in the general fund.
27 The commission may, with the approval of the office of financial
28 management, retain any sum required for working capital."

1 **"Sec. 5.** RCW 67.16.102 and 1982 c 132 s 5 are each amended to read
2 as follows:

3 (1) Notwithstanding any other provision of chapter 67.16 RCW to the
4 contrary the licensee shall withhold and shall pay daily to the
5 commission, in addition to the percentages authorized by ((RCW
6 67.16.100 and 67.16.130, as now or hereafter amended, and)) RCW
7 67.16.105, one percent of the gross receipts of all parimutuel machines
8 at each race meet which sums shall, at the end of each meet, be paid by
9 the commission to the licensed owners of those horses finishing first,
10 second, third and fourth Washington bred only at each meet from which
11 the additional one percent is derived in accordance with an equitable
12 distribution formula to be promulgated by the commission prior to the
13 commencement of each race meet: PROVIDED, That nothing in this section
14 shall apply to race meets which are nonprofit in nature, ((or)) are of
15 ten days or less ((or which)), and have an average daily handle of less
16 than one hundred twenty thousand dollars: PROVIDED, That the
17 additional one percent of the gross receipts of all parimutuel machines
18 at each race meet and the amount retained by the commission as
19 specified in RCW 67.16.100(1)(a) shall be deposited daily in a time
20 deposit by the commission and the interest derived therefrom shall be
21 distributed annually on an equal basis to those race courses at which
22 independent race meets are held which are nonprofit in nature and are
23 of ten days or less: PROVIDED, That prior to receiving a payment under
24 this section any new race course shall meet the qualifications set
25 forth in this section for a period of two years: PROVIDED, FURTHER,
26 That said distributed funds shall be used for the purpose of
27 maintaining and upgrading the respective racing courses and equine
28 quartering areas of said nonprofit meets. The commission shall not
29 permit the licensees to take into consideration the benefits derived
30 from this section in establishing purses.

1 (2) The commission is authorized to pay at the end of the calendar
2 year one-half of the one percent collected from a new licensee under
3 subsection (1) of this section for reimbursement of capital
4 construction of that new licensee's new race track for a period of five
5 years. This reimbursement does not include interest earned on that
6 one-half of one percent and such interest shall continue to be
7 collected and disbursed as provided in RCW 67.16.101 and subsection (1)
8 of this section."

9 **"Sec. 6.** RCW 67.16.105 and 1987 c 347 s 4 are each amended to read
10 as follows:

11 ~~((Except as provided for satellite wagers in RCW 67.16.210, the~~
12 ~~licensee shall pay to the commission daily for each authorized day of~~
13 ~~racing the following applicable percentage of all daily gross receipts~~
14 ~~from all parimutuel machines at each race meet:~~

15 ~~(1) One half percent of the daily gross receipts, if the daily~~
16 ~~gross receipts are two hundred thousand dollars or less;~~

17 ~~(2) One percent of the daily gross receipts, if the daily gross~~
18 ~~receipts are two hundred thousand one dollars to four hundred thousand~~
19 ~~dollars; and~~

20 ~~(3) Four percent of the daily gross receipts if the daily gross~~
21 ~~receipts are four hundred thousand one dollars or more.))~~ (1) Licensees
22 of race meets that are nonprofit in nature, are of ten days or less,
23 and have an average daily handle of one hundred twenty thousand dollars
24 or less shall withhold and pay to the commission daily for each
25 authorized day of racing one-half percent of the daily gross receipts
26 from all parimutuel machines at each race meet.

27 (2) Licensees of race meets that do not fall under subsection (1)
28 of this section shall withhold and pay to the commission daily for each

1 authorized day of racing the following applicable percentage of all
2 daily gross receipts from all parimutuel machines at each race meet:

3 (a) If the daily gross receipts of all parimutuel machines are more
4 than two hundred fifty thousand dollars, the licensee shall withhold
5 and pay to the commission daily two and one-half percent of the daily
6 gross receipts; and

7 (b) If the daily gross receipts of all parimutuel machines are two
8 hundred fifty thousand dollars or less, the licensee shall withhold and
9 pay to the commission daily one percent of the daily gross receipts.

10 (3) In addition to those amounts in subsections (1) and (2) of this
11 section, all licensees shall forward one-tenth of one percent of the
12 daily gross receipts of all parimutuel machines to the commission daily
13 for payment to those nonprofit race meets as set forth in RCW 67.16.130
14 and subsection (1) of this section, but said percentage shall not be
15 charged against the licensees. The total of such payments shall not
16 exceed one hundred fifty thousand dollars in any one year and any
17 amount in excess of one hundred fifty thousand dollars shall be
18 remitted to the general fund. Payments to nonprofit race meets under
19 this subsection shall be distributed on a pro rata per-race-day basis
20 and used only for purses at race tracks that have been operating under
21 RCW 67.16.130 and subsection (1) of this section for the five
22 consecutive years immediately preceding the year of payment.

23 (4) In addition to those sums paid to the commission in subsection
24 (2) of this section, licensees who are nonprofit corporations and have
25 race meets of thirty days or more shall withhold and pay to the
26 commission daily for each authorized day of racing an amount equal to
27 two and one-half percent of the daily gross receipts of all parimutuel
28 machines at each race meet. Said percentage shall come from that
29 amount the licensee is authorized to retain under RCW 67.16.170(2). The

1 commission shall deposit these moneys in the Washington thoroughbred
2 racing fund created in section 12 of this act."

3 "Sec. 7. RCW 67.16.130 and 1985 c 146 s 8 are each amended to read
4 as follows:

5 (1) Notwithstanding any other provision of law or of chapter 67.16
6 RCW, the commission may license race meets which are nonprofit in
7 nature, of ten days or less, and which have an average daily handle of
8 one hundred twenty thousand dollars or less, at a daily licensing fee
9 of ten dollars, and the sponsoring nonprofit association shall be
10 exempt from any other fees as provided for in chapter 67.16 RCW or by
11 rule or regulation of the commission: PROVIDED, That the commission
12 (~~on or after January 1, 1971~~) may deny the application for a license
13 to conduct a racing meet by a nonprofit association, if same shall be
14 determined not to be a nonprofit association by the Washington state
15 racing commission.

16 (2) (~~Notwithstanding any other provision of law or of chapter~~
17 ~~67.16 RCW the licensees of race meets which are nonprofit in nature, of~~
18 ~~ten days or less, and which have an average daily handle of one hundred~~
19 ~~twenty thousand dollars or less, shall withhold and shall pay daily to~~
20 ~~the commission the percentages authorized by RCW 67.16.105, 67.16.170,~~
21 ~~and 67.16.175.~~

22 (~~3~~)) Notwithstanding any other provision of law or of chapter
23 67.16 RCW or any rule promulgated by the commission, no license for a
24 race meet which is nonprofit in nature, of ten days or less, and which
25 has an average daily handle of one hundred twenty thousand dollars or
26 less, shall be denied for the reason that the applicant has not
27 installed an electric parimutuel tote board.

28 (~~(4)~~) (3) As a condition to the reduction in fees as provided for
29 in subsection (1) (~~hereof~~) of this section, all fees charged to horse

1 owners, trainers, or jockeys, or any other fee charged for a permit
2 incident to the running of such race meet shall be retained by the
3 commission as reimbursement for its expenses incurred in connection
4 with the particular race meet."

5 "Sec. 8. RCW 67.16.170 and 1987 c 347 s 2 are each amended to read
6 as follows:

7 ~~((Except as provided for satellite wagers in RCW 67.16.220, race
8 meets which have gross receipts of all parimutuel machines for each
9 authorized day of racing may retain the following from the daily gross
10 receipts of all parimutuel machines:~~

11 ~~(1) On a daily handle of two hundred thousand dollars or less, the
12 licensee shall retain fourteen and one-half percent of such gross
13 receipts;~~

14 ~~(2) On a daily handle of two hundred thousand one dollars to four
15 hundred thousand dollars, the licensee shall retain fourteen percent of
16 such gross receipts; and~~

17 ~~(3) On a daily handle of four hundred thousand one dollars or more,
18 the licensee shall retain eleven percent of such gross receipts.)) (1)
19 Licensees of race meets that are nonprofit in nature, are of ten days
20 or less, and have an average daily handle of one hundred twenty
21 thousand dollars or less may retain daily for each authorized day of
22 racing fourteen and one-half percent of daily gross receipts of all
23 parimutuel machines at each race meet.~~

24 (2) Licensees of race meets that do not fall under subsection (1)
25 of this section may retain daily for each authorized day of racing the
26 following percentages from the daily gross receipts of all parimutuel
27 machines at each race meet:

1 (a) If the daily gross receipts of all parimutuel machines are more
2 than two hundred fifty thousand dollars, the licensee may retain daily
3 twelve and one-half percent of the daily gross receipts; and

4 (b) If the daily gross receipts of all parimutuel machines are two
5 hundred fifty thousand dollars or less, the licensee may retain daily
6 fourteen percent of the daily gross receipts."

7 "Sec. 9. RCW 67.16.175 and 1987 c 453 s 1 & 1987 c 347 s 3 are
8 each reenacted and amended to read as follows:

9 ~~(1) ((Except as provided for satellite wagers in RCW 67.16.210 and~~
10 ~~67.16.220, daily gross receipts of all parimutuel machines from wagers~~
11 ~~on exotic races shall be distributed according to this section:~~

12 ~~(a) In addition to the amounts set forth in RCW 67.16.105, an~~
13 ~~additional two and five tenths percent of gross receipts on races with~~
14 ~~two or more selections and three and five tenths percent of gross~~
15 ~~receipts on races with three or more selections shall be paid to the~~
16 ~~commission. The commission shall retain thirty one percent of the~~
17 ~~additional percentages from exotic races and shall forward the balance~~
18 ~~to the state treasurer daily for deposit in the general fund.~~

19 ~~(b) In addition to the amounts authorized to be retained in RCW~~
20 ~~67.16.170, race meets may retain an additional three percent of the~~
21 ~~daily gross receipts of all parimutuel machines from wagers on exotic~~
22 ~~races requiring two selections to be used as provided in subsection (2)~~
23 ~~of this section.~~

24 ~~(c) In addition to the amounts authorized to be retained in RCW~~
25 ~~67.16.170, race meets may retain an additional six percent of the daily~~
26 ~~gross receipts of all parimutuel machines from wagers on exotic races~~
27 ~~requiring three or more selections to be used as provided in subsection~~
28 ~~(2) of this section.))~~ In addition to the amounts authorized to be
29 retained in RCW 67.16.170, race meets may retain daily for each

1 authorized day of racing an additional six percent of the daily gross
2 receipts of all parimutuel machines from exotic wagers at each race
3 meet.

4 (2) Of the amounts retained in subsection (1) (~~((b) and (c))~~) of
5 this section, (~~(one percent)~~) one-sixth shall be used for Washington-
6 bred breeder awards (~~(, not to exceed twenty percent of the winner's~~
7 ~~share of the purse)~~).

8 (3) (~~(Any portion of the remaining moneys retained in subsection~~
9 ~~(1) (b) and (c) of this section shall be shared equally by the race~~
10 ~~track and participating horsemen. The amount shared by participating~~
11 ~~horsemen shall be in addition to and shall not supplant the customary~~
12 ~~purse structure between race tracks and participating horsemen.)) Of
13 the amounts retained for breeder awards under subsection (2) of this
14 section, twenty-five percent shall be retained by a new licensee for
15 reimbursement of capital construction of the new licensee's new race
16 track for a period of five years.~~

17 (4) As used in this section, "exotic (~~(races)~~) wagers" means any
18 multiple wager. Exotic (~~(races)~~) wagers are subject to approval of the
19 commission."

20 "**Sec. 10.** RCW 67.16.200 and 1987 c 347 s 1 are each amended to
21 read as follows:

22 (1) A racing association licensed by the commission to conduct a
23 race meet may seek approval from the commission to conduct parimutuel
24 wagering on its program at a satellite location or locations within the
25 state of Washington. The sale of parimutuel pools at satellite
26 locations shall be conducted only during the licensee's race meet and
27 simultaneous to all parimutuel wagering activity conducted at the
28 licensee's racing facility in the state of Washington. The

1 commission's authority to approve satellite wagering at a particular
2 location is subject to the following limitations:

3 (a) The commission may approve only one satellite location in each
4 county in the state; however, the commission may grant approval for
5 more than one licensee to conduct wagering at each satellite location.

6 (b) The commission shall not allow a licensee to conduct satellite
7 wagering at a satellite location within ~~((fifty air))~~ twenty ground
8 miles of the licensee's racing facility. For purposes of this section,
9 "ground miles" means miles measured from point to point in a straight
10 line.

11 (c)(i) The commission may allow a licensee to conduct satellite
12 wagering at a satellite location within fifty ~~((air))~~ ground miles of
13 the racing facility of another licensee who conducts race meets of
14 thirty days or more, but only if the satellite location is the racing
15 facility of another licensee who conducts race meets of thirty days or
16 more and only if the licensee seeking to conduct satellite wagering
17 suspends its program during the conduct of the meets of all licensees
18 within fifty ~~((air))~~ ground miles; except that the commission may allow
19 a licensee that conducts satellite wagering at another track, pursuant
20 to this subsection, to use other satellite locations, used by that
21 track with the approval of the owner of that track, even though those
22 satellite locations are within a fifty ground mile radius.

23 (ii) Subject to subsection (1)(c)(i) of this section, the
24 commission may allow a licensee to conduct satellite wagering at a
25 satellite location within fifty ~~((air))~~ ground miles of the racing
26 facility of another licensee who conducts race meets of under thirty
27 days, but only if the licensee seeking to conduct satellite wagering
28 suspends its satellite program during the conduct of the meets of all
29 licensees within fifty ~~((air))~~ ground miles.

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

4 (3) The licensee shall combine the parimutuel pools of the
5 satellite location with those of the racing facility for the purpose of
6 determining odds and computing payoffs. The amount wagered at the
7 satellite location shall be combined with the amount wagered at the
8 racing facility for the application of take out formulas and
9 distribution as provided in RCW 67.16.102, 67.16.105, (~~67.16.130,~~)
10 67.16.170, and 67.16.175(~~(, 67.16.210, and 67.16.220)~~). A satellite
11 extension of the licensee's racing facility shall be subject to the
12 same application of the rules of racing as the licensee's racing
13 facility."

14 "**Sec. 11.** RCW 67.16.230 and 1987 c 347 s 7 are each amended to
15 read as follows:

16 The commission is authorized to establish and collect an annual fee
17 for each separate satellite location. The fee to be collected from the
18 licensee shall be set to reflect the commission's expected costs of
19 approving, regulating, and monitoring each satellite location, provided
20 commission revenues generated under RCW (~~67.16.210~~) 67.16.105 from
21 the licensee shall be credited annually towards the licensee's fee
22 assessment under this section."

23 "NEW SECTION. **Sec. 12.** A new section is added to chapter 67.16
24 RCW to read as follows:

25 The Washington thoroughbred racing fund is created in the state
26 treasury. All receipts derived under RCW 67.16.105(4) from licensees
27 who are nonprofit corporations and whose race meets are thirty days or
28 more shall be deposited into the account. Moneys in the account may be

1 spent only after legislative appropriation. Expenditures from the
2 account shall be expended to benefit and support interim continuation
3 of thoroughbred racing, capital construction of a new race track
4 facility, and programs enhancing the general welfare, safety, and
5 advancement of the Washington thoroughbred racing industry."

6 "NEW SECTION. Sec. 13. The following acts or parts of acts are
7 each repealed:

8 (1) RCW 67.16.210 and 1987 c 347 s 5;

9 (2) RCW 67.16.220 and 1987 c 347 s 6;

10 (3) RCW 67.16.910 and 1990 c 297 s 24; and

11 (4) RCW 67.16.911 and 1990 c 297 s 25."

12 "NEW SECTION. Sec. 14. This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of the
14 state government and its existing public institutions, and shall take
15 effect immediately."

16 **ESHB 1120** - S AMD

17 By Senators Matson, Madsen, Skratek and Amondson

18 ADOPTED 4/23/91 - Voice Vote

19 On page 1, line 1 of the title, after "racing;" strike the
20 remainder of the title and insert "amending RCW 67.16.010, 67.16.014,
21 67.16.060, 67.16.102, 67.16.105, 67.16.130, 67.16.170, 67.16.200, and
22 67.16.230; reenacting and amending RCW 67.16.100 and 67.16.175; adding
23 a new section to chapter 67.16 RCW; repealing RCW 67.16.210, 67.16.220,
24 67.16.910, and 67.16.911; and declaring an emergency."