

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1120

Chapter 270, Laws of 1991

52nd Legislature
1991 Regular Session

HORSE RACING--REVISED PROVISIONS

EFFECTIVE DATE: 5/20/91

Passed by the House February 13, 1991
Yeas 93 Nays 4

JOE KING
Speaker of the
House of Representatives

Passed by the Senate March 22, 1991
Yeas 39 Nays 4

JOEL PRITCHARD
President of the Senate

Approved May 20, 1991

BOOTH GARDNER
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1120** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON
Chief Clerk

FILED

May 20, 1991 - 10:39 a.m.

Secretary of State
State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 1120

AS AMENDED BY THE SENATE

Passed Legislature - 1991 Regular Session

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Roland, Forner, Leonard, Holland, Scott, Valle, Day, O'Brien, Prince, Bowman, R. Meyers, Tate, H. Myers, Hine, Fuhrman, Rayburn, Prentice, Jacobsen, R. King, Chandler, Wilson, Inslee, Wood, Rasmussen, Cooper, R. Johnson, Vance, Sheldon, Morris, Appelwick, Brumsickle, Hochstatter, Van Luven, Paris, Haugen, Kremen, Zellinsky, Edmondson, Brough, Phillips, Lisk, Betrozoff, Wynne, Nealey, Miller, Fraser, Wineberry, Sprenkle, Orr, McLean and Anderson).

Read first time January 29, 1991.

1 AN ACT Relating to horse racing; amending RCW 67.16.010, 67.16.014,
2 67.16.060, 67.16.102, 67.16.105, 67.16.130, 67.16.170, 67.16.200, and
3 67.16.230; reenacting and amending RCW 67.16.100 and 67.16.175; adding
4 a new section to chapter 67.16 RCW; repealing RCW 67.16.210, 67.16.220,
5 67.16.910, and 67.16.911; and declaring an emergency.

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

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.

1 "Parimutuel machine" shall mean and include both machines at the
2 track and machines at the satellite locations, that record parimutuel
3 bets and compute the payoff.

4 "Person" shall mean and include individuals, firms, corporations
5 and associations.

6 "Race meet" shall mean and include any exhibition of thoroughbred,
7 quarter horse, paint horse, appaloosa horse racing, arabian horse
8 racing, or standard bred harness horse racing, where the parimutuel
9 system is used.

10 Singular shall include the plural, and the plural shall include the
11 singular; and words importing one gender shall be regarded as including
12 all other genders.

13 **Sec. 2.** RCW 67.16.014 and 1987 c 453 s 3 are each amended to read
14 as follows:

15 In addition to the commission members appointed under RCW
16 67.16.012, there shall be four ex officio nonvoting members consisting
17 of: (1) Two members of the senate, one from the majority political
18 party and one from the minority political party, both to be appointed
19 by the president of the senate; and (2) two members of the house of
20 representatives, one from the majority political party and one from the
21 minority political party, both to be appointed by the speaker of the
22 house of representatives. The appointments shall be for the term of
23 two years or for the period in which the appointee serves as a
24 legislator, whichever expires first. Members may be reappointed, and
25 vacancies shall be filled in the same manner as original appointments
26 are made. The ex officio members shall assist in the policy making,
27 rather than administrative, functions of the commission, and shall
28 collect data deemed essential to future legislative proposals and
29 exchange information with the commission. The ex officio members shall

1 be deemed engaged in legislative business while in attendance upon the
2 business of the commission and shall be limited to such allowances
3 therefor as otherwise provided in RCW 44.04.120, the same to be paid
4 from the horse racing commission fund as being expenses relative to
5 commission business.

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

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

9 (1) It shall be unlawful:

10 (a) To conduct pool selling, bookmaking, or to circulate hand
11 books; or

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

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

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

18 (2) Any willful violation of the terms of this chapter, or of any
19 rule, regulation, or order of the commission shall constitute a gross
20 misdemeanor and when such violation is by a person holding a license
21 under this chapter, the commission may cancel the license held by the
22 offender, and such cancellation shall operate as a forfeiture of all
23 rights and privileges granted by the commission and of all sums of
24 money paid to the commission by the offender; and the action of the
25 commission in that respect shall be final.

26 (3) The commission shall have power to exclude from any and all
27 race courses of the state of Washington any person whom the commission
28 deems detrimental to the best interests of racing or any person who

1 willfully violates any of the provisions of this chapter or of any
2 rule, regulation, or order issued by the commission.

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

5 **Sec. 4.** RCW 67.16.100 and 1985 c 466 s 67 and 1985 c 146 s 6 are
6 each reenacted and amended to read as follows:

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

11 (1) All sums paid to the commission under this chapter, ((together
12 with all)) including those sums collected for license fees ((under the
13 provisions of this chapter)) and excluding those sums collected under
14 RCW 67.16.102, 67.16.105(3), and 67.16.105(4), shall be disposed of by
15 the commission as follows:

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

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

25 (c) Three percent shall, on the next business day following the
26 receipt thereof, be paid to the state treasurer, who is hereby made ex
27 officio treasurer of a fund to be known as the "state trade fair fund"
28 which shall be maintained as a separate and independent fund, and made

1 available to the director of trade and economic development for the
2 sole purpose of assisting state trade fairs.

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

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

14 **Sec. 5.** RCW 67.16.102 and 1982 c 132 s 5 are each amended to read
15 as follows:

16 (1) Notwithstanding any other provision of chapter 67.16 RCW to the
17 contrary the licensee shall withhold and shall pay daily to the
18 commission, in addition to the percentages authorized by ((RCW
19 ~~67.16.100 and 67.16.130, as now or hereafter amended, and~~)) RCW
20 67.16.105, one percent of the gross receipts of all parimutuel machines
21 at each race meet which sums shall, at the end of each meet, be paid by
22 the commission to the licensed owners of those horses finishing first,
23 second, third and fourth Washington bred only at each meet from which
24 the additional one percent is derived in accordance with an equitable
25 distribution formula to be promulgated by the commission prior to the
26 commencement of each race meet: PROVIDED, That nothing in this section
27 shall apply to race meets which are nonprofit in nature, ((~~or~~)) are of
28 ten days or less ((~~or which~~)), and have an average daily handle of less
29 than one hundred twenty thousand dollars: PROVIDED, That the

1 additional one percent of the gross receipts of all parimutuel machines
2 at each race meet and the amount retained by the commission as
3 specified in RCW 67.16.100(1)(a) shall be deposited daily in a time
4 deposit by the commission and the interest derived therefrom shall be
5 distributed annually on an equal basis to those race courses at which
6 independent race meets are held which are nonprofit in nature and are
7 of ten days or less: PROVIDED, That prior to receiving a payment under
8 this section any new race course shall meet the qualifications set
9 forth in this section for a period of two years: PROVIDED, FURTHER,
10 That said distributed funds shall be used for the purpose of
11 maintaining and upgrading the respective racing courses and equine
12 quartering areas of said nonprofit meets. The commission shall not
13 permit the licensees to take into consideration the benefits derived
14 from this section in establishing purses.

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

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

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

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

3 ~~(2) One percent of the daily gross receipts, if the daily gross~~
4 ~~receipts are two hundred thousand one dollars to four hundred thousand~~
5 ~~dollars; and~~

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

13 (2) Licensees of race meets that do not fall under subsection (1)
14 of this section shall withhold and pay to the commission daily for each
15 authorized day of racing the following applicable percentage of all
16 daily gross receipts from all parimutuel machines at each race meet:

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

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

24 (3) In addition to those amounts in subsections (1) and (2) of this
25 section, all licensees shall forward one-tenth of one percent of the
26 daily gross receipts of all parimutuel machines to the commission daily
27 for payment to those nonprofit race meets as set forth in RCW 67.16.130
28 and subsection (1) of this section, but said percentage shall not be
29 charged against the licensees. The total of such payments shall not
30 exceed one hundred fifty thousand dollars in any one year and any

1 amount in excess of one hundred fifty thousand dollars shall be
2 remitted to the general fund. Payments to nonprofit race meets under
3 this subsection shall be distributed on a pro rata per-race-day basis
4 and used only for purses at race tracks that have been operating under
5 RCW 67.16.130 and subsection (1) of this section for the five
6 consecutive years immediately preceding the year of payment.

7 (4) In addition to those sums paid to the commission in subsection
8 (2) of this section, licensees who are nonprofit corporations and have
9 race meets of thirty days or more shall withhold and pay to the
10 commission daily for each authorized day of racing an amount equal to
11 two and one-half percent of the daily gross receipts of all parimutuel
12 machines at each race meet. Said percentage shall come from that
13 amount the licensee is authorized to retain under RCW 67.16.170(2). The
14 commission shall deposit these moneys in the Washington thoroughbred
15 racing fund created in section 12 of this act.

16 **Sec. 7.** RCW 67.16.130 and 1985 c 146 s 8 are each amended to read
17 as follows:

18 (1) Notwithstanding any other provision of law or of chapter 67.16
19 RCW, the commission may license race meets which are nonprofit in
20 nature, of ten days or less, and which have an average daily handle of
21 one hundred twenty thousand dollars or less, at a daily licensing fee
22 of ten dollars, and the sponsoring nonprofit association shall be
23 exempt from any other fees as provided for in chapter 67.16 RCW or by
24 rule or regulation of the commission: PROVIDED, That the commission
25 (~~on or after January 1, 1971~~) may deny the application for a license
26 to conduct a racing meet by a nonprofit association, if same shall be
27 determined not to be a nonprofit association by the Washington state
28 racing commission.

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

7 (3)) Notwithstanding any other provision of law or of chapter
8 67.16 RCW or any rule promulgated by the commission, no license for a
9 race meet which is nonprofit in nature, of ten days or less, and which
10 has an average daily handle of one hundred twenty thousand dollars or
11 less, shall be denied for the reason that the applicant has not
12 installed an electric parimutuel tote board.

13 (~~(4))~~ (3) As a condition to the reduction in fees as provided for
14 in subsection (1) (~~(hereof)~~) of this section, all fees charged to horse
15 owners, trainers, or jockeys, or any other fee charged for a permit
16 incident to the running of such race meet shall be retained by the
17 commission as reimbursement for its expenses incurred in connection
18 with the particular race meet.

19 **Sec. 8.** RCW 67.16.170 and 1987 c 347 s 2 are each amended to read
20 as follows:

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

25 (1) ~~On a daily handle of two hundred thousand dollars or less, the~~
26 ~~licensee shall retain fourteen and one half percent of such gross~~
27 ~~receipts:~~

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

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

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

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

18 (b) If the daily gross receipts of all parimutuel machines are two
19 hundred fifty thousand dollars or less, the licensee may retain daily
20 fourteen percent of the daily gross receipts.

21 **Sec. 9.** RCW 67.16.175 and 1987 c 453 s 1 and 1987 c 347 s 3 are
22 each reenacted and amended to read as follows:

23 ~~(1) ((Except as provided for satellite wagers in RCW 67.16.210 and~~
24 ~~67.16.220, daily gross receipts of all parimutuel machines from wagers~~
25 ~~on exotic races shall be distributed according to this section:~~

26 ~~(a) In addition to the amounts set forth in RCW 67.16.105, an~~
27 ~~additional two and five tenths percent of gross receipts on races with~~
28 ~~two or more selections and three and five tenths percent of gross~~
29 ~~receipts on races with three or more selections shall be paid to the~~

1 ~~commission. The commission shall retain thirty one percent of the~~
2 ~~additional percentages from exotic races and shall forward the balance~~
3 ~~to the state treasurer daily for deposit in the general fund.~~

4 ~~(b) In addition to the amounts authorized to be retained in RCW~~
5 ~~67.16.170, race meets may retain an additional three percent of the~~
6 ~~daily gross receipts of all parimutuel machines from wagers on exotic~~
7 ~~races requiring two selections to be used as provided in subsection (2)~~
8 ~~of this section.~~

9 ~~(c) In addition to the amounts authorized to be retained in RCW~~
10 ~~67.16.170, race meets may retain an additional six percent of the daily~~
11 ~~gross receipts of all parimutuel machines from wagers on exotic races~~
12 ~~requiring three or more selections to be used as provided in subsection~~
13 ~~(2) of this section.)) In addition to the amounts authorized to be~~
14 ~~retained in RCW 67.16.170, race meets may retain daily for each~~
15 ~~authorized day of racing an additional six percent of the daily gross~~
16 ~~receipts of all parimutuel machines from exotic wagers at each race~~
17 ~~meet.~~

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

22 ~~(3) ((~~Any portion of the remaining moneys retained in subsection~~~~
23 ~~~~(1) (b) and (c) of this section shall be shared equally by the race~~~~
24 ~~~~track and participating horsemen. The amount shared by participating~~~~
25 ~~~~horsemen shall be in addition to and shall not supplant the customary~~~~
26 ~~~~purse structure between race tracks and participating horsemen.)) Of~~
27 ~~the amounts retained for breeder awards under subsection (2) of this~~
28 ~~section, twenty-five percent shall be retained by a new licensee for~~
29 ~~reimbursement of capital construction of the new licensee's new race~~
30 ~~track for a period of five years.~~~~

1 (4) As used in this section, "exotic (~~raees~~) wagers" means any
2 multiple wager. Exotic (~~raees~~) wagers are subject to approval of the
3 commission.

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

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

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

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

23 (c)(i) The commission may allow a licensee to conduct satellite
24 wagering at a satellite location within fifty (~~air~~) ground miles of
25 the racing facility of another licensee who conducts race meets of
26 thirty days or more, but only if the satellite location is the racing
27 facility of another licensee who conducts race meets of thirty days or
28 more and only if the licensee seeking to conduct satellite wagering
29 suspends its program during the conduct of the meets of all licensees

1 within fifty ~~((air))~~ ground miles; except that the commission may allow
2 a licensee that conducts satellite wagering at another track, pursuant
3 to this subsection, to use other satellite locations, used by that
4 track with the approval of the owner of that track, even though those
5 satellite locations are within a fifty ground mile radius.

6 (ii) Subject to subsection (1)(c)(i) of this section, the
7 commission may allow a licensee to conduct satellite wagering at a
8 satellite location within fifty ~~((air))~~ ground miles of the racing
9 facility of another licensee who conducts race meets of under thirty
10 days, but only if the licensee seeking to conduct satellite wagering
11 suspends its satellite program during the conduct of the meets of all
12 licensees within fifty ~~((air))~~ ground miles.

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

16 (3) The licensee shall combine the parimutuel pools of the
17 satellite location with those of the racing facility for the purpose of
18 determining odds and computing payoffs. The amount wagered at the
19 satellite location shall be combined with the amount wagered at the
20 racing facility for the application of take out formulas and
21 distribution as provided in RCW 67.16.102, 67.16.105, ~~((67.16.130,))~~
22 67.16.170, and 67.16.175~~((, 67.16.210, and 67.16.220))~~. A satellite
23 extension of the licensee's racing facility shall be subject to the
24 same application of the rules of racing as the licensee's racing
25 facility.

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

28 The commission is authorized to establish and collect an annual fee
29 for each separate satellite location. The fee to be collected from the

1 licensee shall be set to reflect the commission's expected costs of
2 approving, regulating, and monitoring each satellite location, provided
3 commission revenues generated under RCW ((67.16.210)) 67.16.105 from
4 the licensee shall be credited annually towards the licensee's fee
5 assessment under this section.

6 NEW SECTION. **Sec. 12.** A new section is added to chapter 67.16 RCW
7 to read as follows:

8 The Washington thoroughbred racing fund is created in the state
9 treasury. All receipts derived under RCW 67.16.105(4) from licensees
10 who are nonprofit corporations and whose race meets are thirty days or
11 more shall be deposited into the account. Moneys in the account may be
12 spent only after legislative appropriation. Expenditures from the
13 account shall be expended to benefit and support interim continuation
14 of thoroughbred racing, capital construction of a new race track
15 facility, and programs enhancing the general welfare, safety, and
16 advancement of the Washington thoroughbred racing industry.

17 NEW SECTION. **Sec. 13.** The following acts or parts of acts are
18 each repealed:

- 19 (1) RCW 67.16.210 and 1987 c 347 s 5;
- 20 (2) RCW 67.16.220 and 1987 c 347 s 6;
- 21 (3) RCW 67.16.910 and 1990 c 297 s 24; and
- 22 (4) RCW 67.16.911 and 1990 c 297 s 25.

23 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and shall take
26 effect immediately.

Passed the House February 13, 1991.
Passed the Senate March 22, 1991.
Approved by the Governor May 20, 1991.
Filed in Office of Secretary of State May 20, 1991.