

ESSB 6481 - H COMM AMD

By Committee on Commerce & Labor

ADOPTED AS AMENDED 03/03/04

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 67.16 RCW
4 to read as follows:

5 (1) The horse racing commission may authorize advance deposit
6 wagering to be conducted by:

7 (a) A licensed class 1 racing association operating a live horse
8 racing facility; or

9 (b) The operator of an advance deposit wagering system accepting
10 wagers pursuant to an agreement with a licensed class 1 racing
11 association. The agreement between the operator and the class 1 racing
12 association must be approved by the commission.

13 (2) An entity authorized to conduct advance deposit wagering under
14 subsection (1) of this section:

15 (a) May accept advance deposit wagering for races conducted in this
16 state under a class 1 license or races not conducted within this state
17 on a schedule approved by the class 1 licensee. A system of advance
18 deposit wagering located outside or within this state may not accept
19 wagers from residents or other individuals located within this state,
20 and residents or other individuals located within this state are
21 prohibited from placing wagers through advance deposit wagering
22 systems, except with an entity authorized to conduct advance deposit
23 wagering under subsection (1) of this section;

24 (b) May not accept an account wager in an amount in excess of the
25 funds on deposit in the advance deposit wagering account of the
26 individual placing the wager;

27 (c) May not allow individuals under the age of twenty-one to open,
28 own, or have access to an advance deposit wagering account;

29 (d) Must include a statement in all forms of advertising for
30 advance deposit wagering that individuals under the age of twenty-one

1 are not allowed to open, own, or have access to an advance deposit
2 wagering account; and

3 (e) Must verify the identification, residence, and age of the
4 advance deposit wagering account holder using methods and technologies
5 approved by the commission.

6 (3) As used in this section, "advance deposit wagering" means a
7 form of parimutuel wagering in which an individual deposits money in an
8 account with an entity authorized by the commission to conduct advance
9 deposit wagering and then the account funds are used to pay for
10 parimutuel wagers made in person, by telephone, or through
11 communication by other electronic means.

12 (4) In order to participate in advance deposit wagering, the holder
13 of a class 1 racing association license must have conducted at least
14 one full live racing season. All class 1 racing associations must
15 complete a live race meet within each succeeding twelve-month period to
16 maintain eligibility to continue participating in advance deposit
17 wagering.

18 (5) When more than one class 1 racing association is participating
19 in advance deposit wagering the moneys paid to the racing associations
20 shall be allocated proportionate to the gross amount of all sources of
21 parimutuel wagering during each twelve-month period derived from the
22 associations' live race meets. This percentage must be calculated
23 annually. Revenue derived from advance deposit wagers placed on races
24 conducted by the class 1 racing association shall all be allocated to
25 that association.

26 (6) The commission shall adopt rules regulating advance deposit
27 wagering.

28 (7) This section expires October 1, 2007.

29 **Sec. 2.** RCW 67.16.200 and 2001 1st sp.s. c 10 s 2 are each amended
30 to read as follows:

31 (1) A class 1 racing association licensed by the commission to
32 conduct a race meet may seek approval from the commission to conduct
33 parimutuel wagering (~~(on its program)~~) at a satellite location or
34 locations within the state of Washington. In order to participate in
35 parimutuel wagering at a satellite location or locations within the
36 state of Washington, the holder of a class 1 racing association license
37 must have conducted at least one full live racing season. All class 1
38 racing associations must hold a live race meet within each succeeding

1 twelve-month period to maintain eligibility to continue to participate
2 in parimutuel wagering at a satellite location or locations. The sale
3 of parimutuel pools at satellite locations shall be conducted (~~only~~
4 ~~during the licensee's race meet and~~) simultaneous to all parimutuel
5 wagering activity conducted at the licensee's live racing facility in
6 the state of Washington. The commission's authority to approve
7 satellite wagering at a particular location is subject to the following
8 limitations:

9 (a) The commission may approve only one satellite location in each
10 county in the state; however, the commission may grant approval for
11 more than one licensee to conduct wagering at each satellite location.
12 A satellite location shall not be operated within twenty driving miles
13 of any class 1 racing facility. For the purposes of this section,
14 "driving miles" means miles measured by the most direct route as
15 determined by the commission; and

16 (b) A licensee shall not conduct satellite wagering at any
17 satellite location within sixty driving miles of any other racing
18 facility conducting a live race meet.

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

22 (3) The licensee shall combine the parimutuel pools of the
23 satellite location with those of the racing facility for the purpose of
24 determining odds and computing payoffs. The amount wagered at the
25 satellite location shall be combined with the amount wagered at the
26 racing facility for the application of take out formulas and
27 distribution as provided in RCW 67.16.102, 67.16.105, 67.16.170, and
28 67.16.175. A satellite extension of the licensee's racing facility
29 shall be subject to the same application of the rules of racing as the
30 licensee's racing facility.

31 (4) Upon written application to the commission, a class 1 racing
32 association may be authorized to transmit simulcasts of live horse
33 races conducted at its racetrack to locations outside of the state of
34 Washington approved by the commission and in accordance with the
35 interstate horse racing act of 1978 (15 U.S.C. Sec. 3001 to 3007) or
36 any other applicable laws. The commission may permit parimutuel pools
37 on the simulcast races to be combined in a common pool. A racing
38 association that transmits simulcasts of its races to locations outside
39 this state shall pay at least fifty percent of the fee that it receives

1 for sale of the simulcast signal to the horsemen's purse account for
2 its live races after first deducting the actual cost of sending the
3 signal out of state.

4 (5) Upon written application to the commission, a class 1 racing
5 association may be authorized to transmit simulcasts of live horse
6 races conducted at its racetrack to licensed racing associations
7 located within the state of Washington and approved by the commission
8 for the receipt of the simulcasts. The commission shall permit
9 parimutuel pools on the simulcast races to be combined in a common
10 pool. The fee for in-state, track-to-track simulcasts shall be five
11 and one-half percent of the gross parimutuel receipts generated at the
12 receiving location and payable to the sending racing association. A
13 racing association that transmits simulcasts of its races to other
14 licensed racing associations shall pay at least fifty percent of the
15 fee that it receives for the simulcast signal to the horsemen's purse
16 account for its live race meet after first deducting the actual cost of
17 sending the simulcast signal. A racing association that receives races
18 simulcast from class 1 racing associations within the state shall pay
19 at least fifty percent of its share of the parimutuel receipts to the
20 horsemen's purse account for its live race meet after first deducting
21 the purchase price and the actual direct costs of importing the race.

22 (6) A class 1 racing association may be allowed to import
23 simulcasts of horse races from out-of-state racing facilities. With
24 the prior approval of the commission, the class 1 racing association
25 may participate in (~~an interstate~~) a multijurisdictional common pool
26 and may change its commission and breakage rates to achieve a common
27 rate with other participants in the common pool.

28 (a) The class 1 racing association shall make written application
29 with the commission for permission to import simulcast horse races for
30 the purpose of parimutuel wagering. Subject to the terms of this
31 section, the commission is the sole authority in determining whether to
32 grant approval for an imported simulcast race.

33 (~~b) (A licensed racing association may also be approved to import
34 one simulcast race of regional or national interest on each live race
35 day.~~

36 (~~c) The commission may allow simulcast races of regional or
37 national interest to be sent to satellite locations. The simulcasts
38 shall be limited to one per day except for Breeder's Cup special events
39 day.~~

1 ~~(d))~~) When open for parimutuel wagering, a class 1 racing
2 association which imports simulcast races shall also conduct simulcast
3 parimutuel wagering within its licensed racing enclosure on all races
4 simulcast from other class 1 racing associations within the state of
5 Washington.

6 ~~((e) The conduct of parimutuel wagering on imported simulcast
7 races shall be for not more than fourteen hours during any twenty four
8 hour period, for not more than five days per week and only at the live
9 racing facility of a class 1 racing association.~~

10 ~~(f))~~) (c) On any imported simulcast race, the class 1 racing
11 association shall pay fifty percent of its share of the parimutuel
12 receipts to the horsemen's purse account for its live race meet after
13 first deducting the purchase price of the imported race and the actual
14 costs of importing and offering the race.

15 (7) For purposes of this section, a class 1 racing association is
16 defined as a licensee approved by the commission to conduct during each
17 twelve-month period at least forty days of live racing. If a live race
18 day is canceled due to reasons directly attributable to acts of God,
19 labor disruptions affecting live race days but not directly involving
20 the licensee or its employees, or other circumstances that the
21 commission decides are beyond the control of the class 1 racing
22 association, then the canceled day counts toward the forty-day
23 requirement. The commission may by rule increase the number of live
24 racing days required to maintain class 1 racing association status or
25 make other rules necessary to implement this section.

26 (8) This section does not establish a new form of gaming in
27 Washington or allow expanded gaming within the state beyond what has
28 been previously authorized. Simulcast wagering has been allowed in
29 Washington before April 19, 1997. Therefore, this section does not
30 allow gaming of any nature or scope that was prohibited before April
31 19, 1997. This section is necessary to protect the Washington equine
32 breeding and racing industries, and in particular those sectors of
33 these industries that are dependent upon live horse racing. The
34 purpose of this section is to protect these industries from adverse
35 economic impacts and to promote fan attendance at class 1 racing
36 facilities. ~~((Therefore, imported simulcast race card programs shall
37 not be disseminated to any location outside the live racing facility of
38 the class 1 racing association and a class 1 racing association is
39 strictly prohibited from simulcasting imported race card programs to~~

1 ~~any location outside its live racing facility.)) Therefore, a licensed~~
2 ~~class 1 racing association may be approved to disseminate imported~~
3 ~~simulcast race card programs to satellite locations approved under this~~
4 ~~section, provided that the class 1 racing association has conducted at~~
5 ~~least forty live racing days with an average on-track handle on the~~
6 ~~live racing product of a minimum of one hundred fifty thousand dollars~~
7 ~~per day during the twelve months immediately preceding the application~~
8 ~~date. However, to promote the development of a new class 1 racing~~
9 ~~association facility and to meet the best interests of the Washington~~
10 ~~equine breeding and racing industries, the commission may by rule~~
11 ~~reduce the required minimum average on-track handle on the live racing~~
12 ~~product from one hundred fifty thousand dollars per day to thirty~~
13 ~~thousand dollars per day.~~

14 (9) A licensee conducting simulcasting under this section shall
15 place signs in the licensee's gambling establishment under RCW
16 9.46.071. The informational signs concerning problem and compulsive
17 gambling must include a toll-free telephone number for problem and
18 compulsive gamblers and be developed under RCW 9.46.071.

19 (10) Chapter 10, Laws of 2001 1st sp. sess. does not establish a
20 new form of gaming in Washington or allow expanded gaming within the
21 state beyond what has been previously authorized. Simulcast wagering
22 has been allowed in Washington before August 23, 2001. Therefore, this
23 section does not allow gaming of any nature or scope that was
24 prohibited before August 23, 2001. Chapter 10, Laws of 2001 1st sp.
25 sess. is necessary to protect the Washington equine breeding and racing
26 industries, and in particular those sectors of these industries that
27 are dependent upon live horse racing. The purpose of chapter 10, Laws
28 of 2001 1st sp. sess. is to protect these industries from adverse
29 economic impacts and to promote fan attendance at class 1 racing
30 facilities. ~~((Therefore, imported simulcast race card programs shall~~
31 ~~not be disseminated to any location outside the live racing facility of~~
32 ~~the class 1 racing association and a class 1 racing association is~~
33 ~~strictly prohibited from simulcasting imported race card programs to~~
34 ~~any location outside its live racing facility.~~

35 ~~(11) If a state or federal court makes a finding that the increase~~
36 ~~in the number of imported simulcast races that may be authorized under~~
37 ~~chapter 10, Laws of 2001 1st sp. sess. is an expansion of gaming beyond~~
38 ~~that which is now allowed, chapter 10, Laws of 2001 1st sp. sess. is~~
39 ~~null and void.~~

1 ~~(12) If any provision of chapter 10, Laws of 2001 1st sp. sess. or~~
2 ~~its application to any person or circumstance is held invalid, the~~
3 ~~remainder of chapter 10, Laws of 2001 1st sp. sess. or the application~~
4 ~~of the provision to other persons or circumstances is also invalid.))~~

5 **Sec. 3.** RCW 67.16.160 and 1994 c 154 s 314 are each amended to
6 read as follows:

7 No later than ninety days after July 16, 1973, the horse racing
8 commission shall (~~promulgate~~) adopt, pursuant to chapter 34.05 RCW,
9 reasonable rules implementing to the extent applicable to the
10 circumstances of the horse racing commission the conflict of interest
11 laws of the state of Washington as set forth in (~~chapters 42.21 and~~)
12 chapter 42.52 RCW. In no case may a commissioner make any wager on the
13 outcome of a horse race at a race meet conducted under the authority of
14 the commission.

15 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately."

19 Correct the title.

--- END ---