
Commerce & Labor Committee

HB 1291

Brief Description: Allowing advance deposit wagering to continue beyond October 1, 2007.

Sponsors: Representatives Quall, Priest, Wood, Condotta, Moeller, Conway and Simpson; by request of Horse Racing Commission.

Brief Summary of Bill

- Removes the expiration date for horse racing advance deposit wagering.

Hearing Date: 1/25/07

Staff: Joan Elgee (786-7106).

Background:

The Washington Horse Racing Commission (HRC) regulates horse racing in Washington. The HRC licenses facilities, as well as owners, trainers, jockeys, and others who participate in horse racing. It also determines the time and duration of race meets and supervises the meets. A class one racing association is one that owns and operates its own race facility with at least 40 days of racing a year. Currently Emerald Downs is the only class 1 racing association in the state.

Wagering on horse racing is permitted only by the parimutuel method.

Class 1 racing associations pay a parimutuel tax and license fees, which support the HRC. The HRC may spend up to \$300,000 to support nonprofit race meets and for equine research. Additional taxes are used for Washington bred owner bonuses, Washington bred breeder awards, capital construction, and nonprofit race meets.

In 2004, the Legislature authorized advance deposit wagering (ADW) by a class 1 racing association or by an operator of ADW who accepts wagers under an HRC-approved agreement with a class 1 racing association. Advanced deposit wagering is a form of parimutuel wagering in which an individual deposits money in an account to be used to pay for wagers made in person, by telephone, or through communication by other electronic means.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

To participate in ADW, a racing association must have conducted at least one full live racing season and must complete a live race meet within each succeeding 12-month period to maintain eligibility to continue participating. A formula for distribution of moneys is set forth if more than one racing association participates in ADW.

Advanced deposit wagering may be accepted for races conducted in Washington under a class 1 license or for races conducted outside Washington on a schedule approved by the class 1 licensee. Entities conducting ADW:

- May not accept a wager that exceeds the individual's funds on deposit;
- May not allow individuals under 21 to participate; and
- Must verify the identity, age, and residence of the account holder.

By rule, the entity conducting ADW pays a source market fee on all accounts held by Washington residents. The fee is distributed to the class 1 racing association and the HRC. The fee is further distributed to awards, owner bonuses, and the nonprofit race meets.

The provisions authorizing advance deposit wagering expire on October 1, 2007.

Summary of Bill:

The expiration date for horse racing advance deposit wagering is removed.

Rules Authority: The bill does not address the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.