

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2678

Chapter 39, Laws of 2010

61st Legislature
2010 Regular Session

HORSE RACING COMMISSION--FUNDS DISTRIBUTION--NONPROFIT RACE MEETS

EFFECTIVE DATE: 06/10/10

Passed by the House February 13, 2010
Yeas 95 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 4, 2010
Yeas 47 Nays 1

BRAD OWEN

President of the Senate

Approved March 12, 2010, 2:28 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2678** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 12, 2010

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2678

Passed Legislature - 2010 Regular Session

State of Washington 61st Legislature 2010 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Quall, Priest, Simpson, Sullivan, and Conway; by request of Horse Racing Commission)

READ FIRST TIME 01/26/10.

1 AN ACT Relating to modifying distributions of funds by the horse
2 racing commission to nonprofit race meets; and amending RCW 67.16.105.

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

4 **Sec. 1.** RCW 67.16.105 and 2004 c 246 s 7 are each amended to read
5 as follows:

6 (1) Licensees of race meets that are nonprofit in nature and are of
7 ten days or less shall be exempt from payment of a parimutuel tax.

8 (2) Licensees that do not fall under subsection (1) of this section
9 shall withhold and pay to the commission daily for each authorized day
10 of parimutuel wagering the following applicable percentage of all daily
11 gross receipts from its in-state parimutuel machines:

12 (a) If the gross receipts of all its in-state parimutuel machines
13 are more than fifty million dollars in the previous calendar year, the
14 licensee shall withhold and pay to the commission daily 1.30 percent of
15 the daily gross receipts; and

16 (b) If the gross receipts of all its in-state parimutuel machines
17 are fifty million dollars or less in the previous calendar year, the
18 licensee shall withhold and pay to the commission daily 1.803 percent
19 of the daily gross receipts.

1 (3)(a) In addition to those amounts in subsection (2) of this
2 section, a licensee shall forward one-tenth of one percent of the daily
3 gross receipts of all its in-state parimutuel machines to the
4 commission for payment to those nonprofit race meets as set forth in
5 RCW 67.16.130 and subsection (1) of this section, but said percentage
6 shall not be charged against the licensee.

7 (b) Payments to nonprofit race meets under this subsection shall be
8 distributed on a ~~((pro-rata))~~ per-race-day basis and used only for
9 purses at race tracks that have been operating under RCW 67.16.130 and
10 subsection (1) of this section for the five consecutive years
11 immediately preceding the year of payment.

12 (c) As provided in this subsection, the commission shall
13 ((transfer)) distribute funds equal to fifteen thousand eight hundred
14 dollars per race day from funds generated under ((subsection (2) of
15 this section equal to the difference between:

16 ~~(a)(i) Funds collected under this subsection (3);~~

17 ~~(ii) Interest earned from the Washington horse racing commission~~
18 ~~operating account created in RCW 67.16.280; and~~

19 ~~(iii) Fines imposed by the board of stewards in a calendar year;~~
20 ~~and~~

21 ~~(b) Three hundred thousand dollars;~~
22 ~~and distribute that amount under)) this subsection (3).~~

23 (4) If the funds generated under subsection (3) of this section are
24 not sufficient to fund purses equal to fifteen thousand eight hundred
25 dollars per race day, the commission is authorized to fund these purses
26 from the following in the order provided below:

27 (a) First from fines imposed by the board of stewards and the
28 commission in a calendar year;

29 (b) Second from a commission approved percentage of any source
30 market fee generated from advance deposit wagering as authorized in RCW
31 67.16.260;

32 (c) Third from interest earned from the Washington horse racing
33 commission operating account created in RCW 67.16.280; and

34 (d) Fourth from the Washington horse racing commission operating
35 account created in RCW 67.16.280.

36 (5) Funds generated under subsection (3) of this section that are
37 in excess of fifteen thousand eight hundred dollars per race day must

1 be returned to the licensee or licensees from which the funds were
2 collected.

3 (6) Funds generated from any of the sources listed in subsection
4 (4) of this section that are not needed in a calendar year to fund
5 purses under subsection (3) of this section must be deposited in the
6 Washington horse racing commission operating account.

7 ~~((4))~~ (7) Beginning July 1, 1999, at the conclusion of each
8 authorized race meet, the commission shall calculate the mathematical
9 average daily gross receipts of parimutuel wagering that is conducted
10 only at the physical location of the live race meet at those race meets
11 of licensees with gross receipts of all their in-state parimutuel
12 machines of more than fifty million dollars. Such calculation shall
13 include only the gross parimutuel receipts from wagering occurring on
14 live racing dates, including live racing receipts and receipts derived
15 from one simulcast race card that is conducted only at the physical
16 location of the live racing meet, which, for the purposes of this
17 subsection, is "the handle." If the calculation exceeds eight hundred
18 eighty-six thousand dollars, the licensee shall within ten days of
19 receipt of written notification by the commission forward to the
20 commission a sum equal to the product obtained by multiplying 0.6
21 percent by the handle. Sums collected by the commission under this
22 subsection shall be forwarded on the next business day following
23 receipt thereof to the state treasurer to be deposited in the fair fund
24 created in RCW 15.76.115.

Passed by the House February 13, 2010.

Passed by the Senate March 4, 2010.

Approved by the Governor March 12, 2010.

Filed in Office of Secretary of State March 12, 2010.