

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 5747**

Chapter 12, Laws of 2011

62nd Legislature  
2011 Regular Session

HORSE RACING--FUNDS

EFFECTIVE DATE: 04/05/11

Passed by the Senate February 28, 2011  
YEAS 46 NAYS 2

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House March 25, 2011  
YEAS 93 NAYS 2

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved April 5, 2011, 1:24 p.m.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5747** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

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**Secretary**

FILED

April 5, 2011

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE SENATE BILL 5747

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Passed Legislature - 2011 Regular Session

State of Washington

62nd Legislature

2011 Regular Session

By Senate Labor, Commerce & Consumer Protection (originally sponsored by Senators Hewitt, Kohl-Welles, and Conway)

READ FIRST TIME 02/21/11.

1 AN ACT Relating to Washington horse racing funds; amending RCW  
2 67.16.105 and 67.16.280; and declaring an emergency.

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

4 **Sec. 1.** RCW 67.16.105 and 2010 c 39 s 1 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~~) are exempt from payment of a parimutuel  
8 tax.

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

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

18 (b) If the gross receipts of all its in-state parimutuel machines

1 are fifty million dollars or less in the previous calendar year, the  
2 licensee (~~shall~~) must withhold and pay to the commission daily 1.803  
3 percent of the daily gross receipts.

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

10 (b) Payments to nonprofit race meets under this subsection  
11 (~~shall~~) must be distributed on a per-race-day basis and used only for  
12 purses at race tracks that have been operating under RCW 67.16.130 and  
13 subsection (1) of this section in 2010 or for the five consecutive  
14 years immediately preceding the year of payment.

15 (c) As provided in this subsection, the commission (~~shall~~) must  
16 distribute funds (~~equal~~) up to fifteen thousand eight hundred dollars  
17 per race day from funds generated under this subsection (3).

18 (~~If the funds generated under subsection (3) of this section  
19 are not sufficient to fund purses equal to fifteen thousand eight  
20 hundred dollars per race day, the commission is authorized to fund  
21 these purses from the following in the order provided below:~~

22 (~~a) First from fines imposed by the board of stewards and the  
23 commission in a calendar year;~~

24 (~~b) Second from a commission approved percentage of any source  
25 market fee generated from advance deposit wagering as authorized in RCW  
26 67.16.260;~~

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

29 (~~d) Fourth from the Washington horse racing commission operating  
30 account created in RCW 67.16.280.~~

31 (~~5) Funds generated under subsection (3) of this section that are  
32 in excess of fifteen thousand eight hundred dollars per race day must  
33 be returned to the licensee or licensees from which the funds were  
34 collected.~~

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

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

19       **Sec. 2.** RCW 67.16.280 and 2006 c 174 s 1 are each amended to read  
20 as follows:

21       (1) The Washington horse racing commission operating account is  
22 created in the custody of the state treasurer. All receipts collected  
23 by the commission under RCW 67.16.105(2) must be deposited into the  
24 account. The commission has the authority to receive such gifts,  
25 grants, and endowments from public or private sources as may be made  
26 from time to time in trust or otherwise for the use and purpose of  
27 regulating or supporting nonprofit race meets as set forth in RCW  
28 67.16.130 and 67.16.105(1); such gifts, grants, and endowments must  
29 also be deposited into the account and expended according to the terms  
30 of such gift, grant, or endowment. Moneys in the account may be spent  
31 only after appropriation. Except as provided in subsection (2) of this  
32 section, expenditures from the account may be used only for operating  
33 expenses of the commission. Investment earnings from the account  
34 (~~(must be distributed to)~~) will be retained in the Washington horse  
35 racing commission (~~(class C purse fund)~~) operating account, (~~(created~~  
36 ~~in RCW 67.16.285,)~~) pursuant to RCW 43.79A.040.

1           (2) In order to provide funding in support of the legislative  
2 findings in RCW 67.16.101 (1) through (3), and to provide additional  
3 necessary support to the nonprofit race meets beyond the funding  
4 provided by RCW 67.16.101(4) and 67.16.102(2), the commission is  
5 authorized to spend up to three hundred thousand dollars per fiscal  
6 year from its operating account for the purpose of developing the  
7 equine industry, maintaining and upgrading racing facilities, and  
8 assisting equine health research. When determining how to allocate the  
9 funds available for these purposes, the commission (~~shall~~) must give  
10 first consideration to uses that regulate and assist the nonprofit race  
11 meets and equine health research. These expenditures may occur only  
12 when sufficient funds remain for the continued operations of the horse  
13 racing commission.

14           NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
15 preservation of the public peace, health, or safety, or support of the  
16 state government and its existing public institutions, and takes effect  
17 immediately.

Passed by the Senate February 28, 2011.

Passed by the House March 25, 2011.

Approved by the Governor April 5, 2011.

Filed in Office of Secretary of State April 5, 2011.