

HOUSE BILL REPORT

HB 2320

As Reported by House Committee On:
Commerce & Gaming
Appropriations

Title: An act relating to providing that the horse racing commission operating account is a nonappropriated account.

Brief Description: Providing that the horse racing commission operating account is a nonappropriated account.

Sponsors: Representatives Stokesbary, Hurst, Peterson, Caldier, Schmick, Stambaugh and Wilcox.

Brief History:

Committee Activity:

Commerce & Gaming: 1/12/16, 1/18/16 [DP];
Appropriations: 2/4/16 [DP].

Brief Summary of Bill

- Changes the Washington Horse Racing Commission Operating Account from an appropriated account to a nonappropriated account.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Scott, Van De Wege and Vick.

Staff: Peter Clodfelter (786-7127).

Background:

Washington Horse Racing Commission.

The Washington Horse Racing Commission (Commission) is responsible for licensing, regulating, and supervising all horse race meets held in the State of Washington where the

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parimutuel system of betting is used. The Commission is also responsible for inspecting each race course in the state at least once a year.

Betting or wagering on a horse race is lawful in Washington only if it is by the parimutuel method. Licensees operating race meets must withhold and pay to the Commission daily, for each authorized day of parimutuel wagering, a parimutuel tax that is a percentage of all the licensees' daily gross receipts from the licensees' in-state parimutuel machines. Those receipts must be deposited in the Washington Horse Racing Commission Operating Account.

Washington Horse Racing Commission Operating Account.

Within the custody of the State Treasurer is the Washington Horse Racing Commission Operating Account (Account). In addition to the percentage of licensees' daily gross receipts from licensees' parimutuel wagering machines that must be deposited into the Account, the Commission may receive and, if so, must deposit into the Account gifts, grants, and endowments from public or private sources.

Gifts, grants, and endowments must be expended according to the terms of the gift, grant, or endowment. Otherwise, moneys in the Account must be used for the Commission's operating expenses. If there are sufficient funds in the Account to cover the Commission's operating expenses, the Commission may spend up to \$300,000 per fiscal year for the purposes of developing the equine industry, maintaining and upgrading racing facilities, and assisting equine health research.

Moneys in the Account may be spent only after appropriation.

Summary of Bill:

Washington Horse Racing Commission Operating Account.

Moneys in the Account may be spent without an appropriation. Only the Commission or the Commission's designee may authorize expenditures from the Account. The Account is subject to allotment procedures under chapter 43.88 RCW.

Appropriation: None.

Fiscal Note: Requested on January 1, 2016.

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

Staff Summary of Public Testimony:

(In support) The Commission oversees race meet operators like Emerald Downs. Because the Washington Horse Racing Commission Operating Account is an appropriated account, if the Legislature ever fails to pass a budget, then the Commission's operations will not be

funded and race meet operators, like Emerald Downs, will be forced to shut down operations. The biggest horse racing weekend at Emerald Downs is over the July 4 weekend, which closely coincides with the Legislature's deadline for passing a state budget. This caused issues in 2015 because people read news reports about the possibility that Emerald Downs could be forced to shut down if the Legislature failed to pass a budget, and this negatively impacted business at Emerald Downs, even though no shutdown occurred. This bill would be a small change in the law that would allow the Commission to continue to meet its statutory obligations, even if the Legislature temporarily failed to pass a budget.

(Opposed) None.

Persons Testifying: Representative Stokesbary, prime sponsor; and Philip Ziegler, Emerald Downs.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 26 members: Representatives Dunshee, Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys, Cody, Condotta, Dent, Fitzgibbon, Haler, Harris, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Manweller, Pettigrew, Robinson, Sawyer, Schmick, Springer, Stokesbary, Sullivan, Tharinger and Walkinshaw.

Minority Report: Do not pass. Signed by 3 members: Representatives Ormsby, Vice Chair; Hudgins and Taylor.

Staff: Lily Sobolik (786-7157).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Commerce & Gaming:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There is no fiscal impact to this bill. The bill would prevent Emerald Downs from shutting down in the event of a budget not passing on time. Even talk of Emerald Downs needing to shut down hurts the tracks, the economy, and the people who rely on this work. Race tracks cannot operate without the onsite regulation and oversight of the Horse Racing Commission.

(Opposed) None.

Persons Testifying: Representative Stokesbary, prime sponsor; and Philip Ziegler, Emerald Downs.

Persons Signed In To Testify But Not Testifying: None.