

WSR 23-07-047

PROPOSED RULES

HORSE RACING COMMISSION

[Filed March 8, 2023, 1:24 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 23-01-002.

Title of Rule and Other Identifying Information: WAC 260-49-070

Distribution of source market fees.

Hearing Location(s): On May 23, 2023, at 9:30 a.m., via Zoom tel-
econference. Link will be available at www.whrc.wa.gov prior to hear-
ing.

Date of Intended Adoption: May 23, 2023.

Submit Written Comments to: Amanda Benton, 6326 Martin Way, Suite
209, Olympia, WA 98516, email Amanda.benton@whrc.wa.gov, fax
360-459-6461, by May 10, 2023.

Assistance for Persons with Disabilities: Contact Melanie Bowd-
ish, phone 360-459-6462, fax 360-459-6461, email
melanie.bowdish@whrc.wa.gov, by May 10, 2023.

Purpose of the Proposal and Its Anticipated Effects, Including
Any Changes in Existing Rules: The Washington horse racing commission
(WHRC) may need to adjust the source market fee distribution to re-
flect a change in duties performed by WHRC employees if a voluntary
agreement with the Horseracing Industry [Integrity and] Safety Author-
ity (HISA) and/or the Horseracing Industry [Integrity and] Welfare
Unit (HIWU) is not signed.

Reasons Supporting Proposal: If WHRC does not sign a voluntary
agreement with HISA/HIWU some duties previously carried out by employ-
ees of WHRC will be performed by employees of HISA/HIWU and WHRC can-
not collect fees for duties no longer performed by WHRC.

Statutory Authority for Adoption: RCW 67.16.020.

Rule is not necessitated by federal law, federal or state court
decision.

Name of Agency Personnel Responsible for Drafting, Implementa-
tion, and Enforcement: Amanda Benton, 6326 Martin Way, Suite 209,
Olympia, WA 98516, 360-459-6462.

A school district fiscal impact statement is not required under
RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328.

The proposed rule does not impose more-than-minor costs on busi-
nesses. Following is a summary of the agency's analysis showing how
costs were calculated. Not business related.

March 8, 2023
Amanda Benton
Executive Secretary

OTS-4430.1

AMENDATORY SECTION (Amending WSR 22-24-110, filed 12/7/22, effective
1/7/23)

WAC 260-49-070 Distribution of source market fee. (1) A source
market fee shall be paid monthly, unless otherwise directed by the

commission, for the source market fee area on all accounts that have Washington as the principal residence address.

(2) The authorized advance deposit wagering service provider shall, at least monthly, unless otherwise directed by the commission, distribute the total source market fee as follows:

(a) One hundred percent of the total source market fee directly to the class 1 racing association.

(b) The class 1 racing association shall submit monthly 12.5 percent of the total source market fee to the commission of which two and one-half percent to be deposited into the Washington bred owners' bonus fund and 10 percent to be deposited into the commission's operating account.

If the commission declines to enter into a voluntary agreement for the current live racing season with the Horseracing Industry Safety Authority (HISA) and/or the Horseracing Industry Welfare Unit (HIWU), beginning July 1 of that year, the class 1 association will retain an amount approved by the commission each year designated as the 10 percent of the source market fee due the commission operating account to offset costs associated with the duties that are performed by employees of HISA/HIWU previously carried out by commission staff. After the amount designated is reached, the source market fee deposits will be made into the commission's operating account.

(c) The class 1 racing association shall distribute two and one-half percent of the total source market fee to the Washington bred breeder award account as provided in RCW 67.16.175.

(d) The class 1 racing association and the recognized horsemen's organization shall negotiate a separate agreement for contributions to the purse account from the source market fee and submit the agreement for review and approval by the commission. The class 1 racing association shall distribute the horsemen's share of the source market fee in accordance with the horseman's agreement.

(3) The commission shall annually review the distribution of the source market fee. Any changes to the distribution shall be adopted by rule.

[Statutory Authority: RCW 67.16.020. WSR 22-24-110, § 260-49-070, filed 12/7/22, effective 1/7/23; WSR 22-02-047, § 260-49-070, filed 1/3/22, effective 2/3/22; WSR 20-19-062, § 260-49-070, filed 9/11/20, effective 10/12/20; WSR 11-17-056, § 260-49-070, filed 8/15/11, effective 9/15/11. Statutory Authority: RCW 67.16.020 and 67.16.040. WSR 09-21-015, § 260-49-070, filed 10/9/09, effective 11/9/09; WSR 05-19-015, § 260-49-070, filed 9/9/05, effective 10/10/05. Statutory Authority: RCW 67.16.020. WSR 04-21-053, § 260-49-070, filed 10/18/04, effective 11/18/04.]