

## WSR 24-14-102

## PERMANENT RULES

## HORSE RACING COMMISSION

[Filed July 1, 2024, 11:34 a.m., effective August 1, 2024]

Effective Date of Rule: Thirty-one days after filing.

Purpose: Amends the distribution of source market fees to reflect a change in duties performed by commission employees because a voluntary agreement with the Horseracing Industry [Integrity and] Welfare Unit was signed and the Washington horse racing commission (WHRC) employees will be performing certain duties that were not performed last year.

Citation of Rules Affected by this Order: Amending WAC 260-49-070 Distribution of source market fees.

Statutory Authority for Adoption: RCW 67.16.020.

Adopted under notice filed as WSR 24-11-112 on May 20, 2024.

Changes Other than Editing from Proposed to Adopted Version: The total percent of source market fee collected was lowered to 8.5 percent from 12.5 percent and the percent going into the WHRC operating account was lowered to six percent from 10 percent.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 1, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 1, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: July 1, 2024.

Amanda Benton  
Executive Secretary

**OTS-5419.2**

AMENDATORY SECTION (Amending WSR 23-12-024, filed 5/26/23, effective 7/1/23)

**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 (~~(2.5)~~) 8.5 percent of the total source market fee to the commission of which

2.5 percent to be deposited into the Washington bred owners' bonus fund and (~~zero~~) 6 percent to be deposited into the commission's operating account.

(c) The class 1 racing association shall distribute (~~two and one-half~~) 2.5 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.