

WSR 25-06-080

PROPOSED RULES

HORSE RACING COMMISSION

[Filed March 4, 2025, 2:57 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 25-01-065.

Title of Rule and Other Identifying Information: WAC 260-49-070
Distribution of source market fees.

Hearing Location(s): On April 11, 2025, at 9:30 a.m., via Zoom teleconference. Link will be available at www.whrc.wa.gov prior to the meeting.

Date of Intended Adoption: April 11, 2025.

Submit Written Comments to: Amanda Benton, 6326 Martin Way, Suite 209, email Amanda.benton@whrc.wa.gov, fax 360-459-6461, beginning March 5, 2025, at 8:00 a.m., by April 1, 2025, at 4:00 p.m.

Assistance for Persons with Disabilities: Contact Melanie Bowdish, phone 360-459-6462, fax 360-459-6461, email melanie.bowdish@whrc.wa.gov, by April 1, 2025.

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 reflect the cost of duties performed by WHRC employees because a voluntary agreement with the Horseracing Industry [Integrity and] Safety Authority (HISA) and/or the Horseracing Industry [Integrity and] Welfare Unit (HIWU) is intended to be signed and to also stabilize the WHRC operating account.

Reasons Supporting Proposal: WHRC signed a voluntary agreement with HISA/HIWU for 2024 and intends to sign an agreement again in 2025 and will need to collect fees to cover the cost of WHRC employees performing those duties, as well as stabilize the operating account balance which currently will run out of funds in 2026.

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, Implementation, 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 businesses. Following is a summary of the agency's analysis showing how costs were calculated. Not business related.

March 4, 2025
Amanda Benton
Executive Secretary

RDS-6169.1

AMENDATORY SECTION (Amending WSR 24-14-102, filed 7/1/24, effective 8/1/24)

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 (~~(8.5)~~) 12.5 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 (~~(6)~~) 10 percent to be deposited into the commission's operating account.

(c) The class 1 racing association shall distribute 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.