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mailed to the voters. Additionally, should any person veto Message available from the office of the Secretary of State between now and the November election.

Accordingly, for the reasons set out above, I have determined to veto section three. With that exception, the remainder of Substitute House Bill No. 498 is approved."

CHAPTER 216 [House Bill No. 590] HORSE RACING--COMMISSION--EMPLOYEES--POWERS--DUTIES--FUNDING

AN ACT Relating to horse racing; amending section 2, chapter 55, Laws of 1933 as as amended by section 1, chapter 233, Laws of 1969 ex. sess. and RCW 67.16.012; amending section 9, chapter 55, Laws of 1963 as last amended by section 7, chapter 148, Laws of 1965 and RCW 67.16.100; and adding new sections to chapter 67.16 RCW.

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

Section 1. Section 2, chapter 55, Laws of 1933 as amended by section 1, chapter 233, Laws of 1969 ex. sess. and RCW 67.16.012 are each amended to read as follows:

There is hereby created the Washington horse racing commission, to consist of three commissioners, who shall be citizens, residents, and qualified electors of the state of Washington, and one of whom shall be a breeder of ((thoroughbred and/or standard bred)) race horses and he shall be of at least one year's standing. The first members of said commission shall be appointed by the governor within thirty days after March 3, 1933, one for a term to expire on the Thursday following the second Monday in January of 1935, one for a term to expire on the Thursday following the second Monday in January of 1937, and one for a term to expire on the Thursday following the second Monday in January of 1939, upon which expiration of the term of any member, the governor shall appoint a successor for a term of six years. Each member shall hold office until his successor is appointed and qualified. Vacancies in the office of commissioner shall be filled by appointment to be made by the governor for the unexpired term: PROVIDED, HOWEVER, That in the v <u>event that an appointment has not been made to fill a vacancy as</u> required by RCW 43.06.030 the member whose term has been vacated or expired shall not be permitted to serve on the commission. Any commissioner may be removed at any time at the pleasure of the

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governor: PROVIDED, That any member or successor that is appointed or reappointed by the governor after August 11, 1969, shall be confirmed by the senate. Before entering upon the duties of his office, each commissioner shall enter into a surety company bond, to be approved by the governor and attorney general, payable to the state of Washington, in the penal sum of five thousand dollars, conditioned upon the faithful performance of his duties and the correct accounting and payment of all sums received and coming within his control under this chapter, and in addition thereto each commissioner shall take and subscribe to an oath of office of the same form as that prescribed by law for elective state officers.

V

<u>NEW SECTION.</u> Sec. 2. There is added to chapter 67.16 RCW new section to read as follows:

a

No member of the horse racing commission nor any member of their immediate families shall be employed by or accept any compensation, direct or indirect, from any association, corporation or other employer, including breeding associations and concessionaires at racing meets, or any other group or association having a direct financial interest in any racing meet in the state of Washington.

<u>NEW SECTION.</u> Sec. 3. There is added to chapter 67.16 RCW a new section to read as follows:

No employee of the horse racing commission shall serve as an employee of any track at which that individual will also serve as an employee of the commission.

<u>NEW SECTION.</u> Sec. 4. There is added to chapter 67.16 RCW a new section to read as follows:

No employee nor any commissioner of the horse racing commission shall have any financial interest whatsoever, other than an ownership interest in a community venture, in any track at which said employee serves as an agent or employee of the commission or at any track with respect to a commissioner.

<u>NEW SECTION.</u> Sec. 5. No later than 90 days after the effective date of this act the horse racing commission shall promulgate, pursuant to chapter 34.04 RCW, reasonable rules and regulations implementing to the extent applicable to the circumstances of the horse racing commission the conflict of interest laws of the state of Washington as set forth in chapters 42.18, 42.21 and 42.22 RCW.

V Sec. 6. Section 9, chapter 55, Laws of 1963 as last amended by section 7, chapter 148, Laws of 1965 and RCW 67.16.100 are each amended to read as follows:

((All sums paid to the commission; together with all sums collected for license fees under the provisions of this chapter; shall be disposed of by the commission as follows: Twenty percent

thereof shall be retained by the commission for the payment of the $\vdash_{\mathbf{V}}$ salaries of its members, secretary, clerical; office; and other help and all expenses incurred in carrying out the provisions of this chapter: No salary; wages; expenses; or compensation of any kind shall be paid by the state in connection with the work of the commission. Of the remaining eighty percent; forty-seven percent shall; on the next business day following the receipt thereof; be paid to the state treasurer to be deposited in the general fund; and three percent shall; on the next business day following the receipt thereof, be paid to the state treasurer, who is hereby made ex officio treasurer of a fund to be known as the "state trade fair fund" which shall be maintained as a separate and independent fund; and made available to the director of commerce and economic development for the sole purpose of assisting state trade fairs. The remaining thirty percent shall be paid to the state treasurer, who is hereby made ex officio treasurer of a fund to be known as the "fair fund;" which shall be maintained as a separate and independent fund outside of the state treasury, and made available to the director of agriculture for the sole purpose of assisting fairs in the manner provided in Title 45 REW. Any moneys collected or paid to the commission under the terms of this chapter and not expended at the time of making its report to the legislature; shall be paid to the state treasurer and be placed in the general fund;))

There shall be a fund, known as the "Horse Racing Commission Fund." which shall consist of all fees, penalties, Revolving forfeitures, and all other moneys, income, or revenue received by the commission except those held pursuant to RCH 67.16.102. The state treasurer shall be custodian of the fund. All moneys received by the commission or any employee thereof, except for change funds in an amount of petty cash as fixed by the commission within the authority of law and except those received and held pursuant to RCW 67.16.102 shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the horse racing commission revolving fund. Disbursements from the revolving fund shall be on authorization of the commission or duly authorized representative thereof. In order to maintain an effective expenditure of revenue control system the revolving fund shall be subject in all respects to chapter 43.88 RCW and legislative appropriation shall be required to permit expenditures in payment of obligations from such fund. When excess funds are distributed all moneys subject to distribution shall go to the state general fund. Excess funds in the revolving fund shall be distributed by the commission guarterly.

NEW SECTION. Sec. 7. There is added to chapter 67.16 RCW a new section to read as follows:

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V_ Moneys in the revolving fund shall be distributed as follows: Twenty percent thereof shall be retained by the commission for the payment of the salaries of its members, secretary, clerical, office, and other help and all expenses incurred in carrying out the No salary, wages, provisions of this chapter. expenses, or compensation of any kind shall be paid by the state in connection with the work of the commission from any state fund other than the horse racing commission revolving fund. Of the remaining eighty percent, forty-seven percent shall, on the next business day following the receipt thereof, be paid to the state treasurer to be deposited in the general fund, and three percent shall, on the next business day following the receipt thereof, be paid to the state treasurer, who is hereby made ex officio treasurer of a fund to be known as the "state trade fair fund" which shall be maintained as a separate and independent fund, and made available to the director of commerce and economic development for the sole purpose of assisting state trade fairs. The remaining thirty percent shall be paid to the state treasurer, who is hereby made ex officio treasurer of a fund to be known as the "fair fund," which shall be maintained as a separate and independent fund outside of the state treasury, and made available to the director of agriculture for the sole purpose of assisting fairs in the manner provided in Title 15 RCW: PROVIDED, That the commission shall not expend for regulatory purpose at any race meet a sum greater than three-fourths of one percent of the total parimutuel handle at such meet. Regulatory purposes within the meaning of this provision shall include but not be limited to the salaries of all officials and personnel at the meet, the cost of services and equipment for the film patrol, the photo finish and the laboratory work, but shall exclude amounts paid to commissioners pursuant to RCW 67.16.017, per diem and travel expenses of employees, the cost of equipment and supplies used in connection with the licensing of personnel, and shall also exclude the cost of personnel and operating expense of the office of the commission at Olympia, Washington: PROVIDED, HOWEVER, That the foregoing limitation on expenditures shall not apply to those race meets nonprofit in nature which are licensed pursuant to RCW 67.16.130 nor shall the limitation prevent the commission from spending up to \$800.00 per day for regulatory purposes at any race meet.

Passed the House April 16, 1973.
Passed the Senate April 14, 1973.
Approved by the Governor April 26, 1973, with the exception of four items found in Section 1 and all of Sections 2, 6 and 7 which are vetoed.
Filed in Office of Secretary of State April 26, 1973.

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Note: Governor's explanation of partial veto is as follows: "I am filing herewith to be transmitted to the House veto Message of Representatives at the next session of the Legislature, without my approval as to four items, <u>House Bill No. 590</u> entitled:

"AN ACT Relating to horse racing."

This act would make several changes in the laws relating to the Horse Racing Commission. Section 1 includes amendatory language which could be construed to mean that if an appointment is made to the Commission during the time the Legislature is not in session, so that appointment could be acted upon by the Senate, then such appointee cannot exercise his duties until the Legislature next convenes and the Senate confirms the appointment. Such a limitation would without question deter and inhibit the Commission's performance of its statutory duties. Consequently I have vetoed that item in section 1 creating that limitation.

Section 2 of this act would prohibit members of the Horse Racing Commission, among other things, from accepting breeder's awards from breeding associations. Such a restriction is unfounded and has no purpose or merit. The Commission has advised me that they will immediately adopt, by rule and regulation, the substance of this section with the exception of the prohibition on breeder's awards. I have therefore determined to veto that item consisting of section 2.

Section 6 and 7 of this act would delete existing language regarding the Commission's responsibilities regarding funds received and creates a new "Horse Racing Commission Revolving Fund." Creation of this fund and the procedures prescribed for its usage would seriously delay payment by the Commission to part-time employees hired for one two-day racing meet. More importantly, the budget act previously approved, makes an appropriation to the "Racing Commission Fund" which would no longer be available to the Commission under terms of section 7. It should also be noted that much of the language in section 7 is also in the budget act.

I am not opposed to the considerations that led to

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the enactment of sections 6 and 7, but to allow them to veto stand would effectively deprive the Commission of funding under existing mechanisms.

Accordingly, I have determined to veto those four items found in section 1, and consisting of sections 2, 6 and 7."

CHAPTER 217 [Engrossed House Bill No. 704] STATE BUILDINGS AND FACILITIES CONSTRUCTION--GENERAL OBLIGATION BONDS

AN ACT Relating to state government; providing for the acquisition, construction, remodeling, furnishing, and equipping of state buildings and facilities; providing for the financing thereof by the issuance of bonds; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: <u>NEW SECTION</u>. Section 1. For the purpose of acquiring land, funding and providing the planning, acquisition, construction, remodeling, and furnishing, together with all improvements,

- enhancements, fixed equipment, and facilities, of capitol office $\frac{1}{2}$ buildings, parking facilities, governor's mansion, and such other

<u>NEW SECTION.</u> Sec. 2. The issuance, sale and retirement of said bonds shall be under the supervision and control of the state finance committee. The committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds, the time or times of sale of all or any portion of them, and the conditions and manner of their sale, issuance and redemption. None of the bonds herein authorized shall be sold for less than the par value thereof.

The committee may provide that the bonds, or any of them, may be called prior to the maturity date thereof under such terms,