

CHAPTER 146

[Substitute Senate Bill No. 3342]

HORSE RACING

AN ACT Relating to horse racing; amending RCW 67.16.010, 67.16.020, 67.16.050, 67.16.060, 67.16.090, 67.16.100, 67.16.105, 67.16.130, 67.16.170, 67.16.175, 67.16.180, and 67.16.190; adding a new section to chapter 67.16 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 55, Laws of 1933 as last amended by section i, chapter 132, Laws of 1982 and RCW 67.16.010 are each amended to read as follows:

Unless the context otherwise requires, words and phrases as used herein shall mean:

"Commission" shall mean the Washington horse racing commission, hereinafter created.

"Person" shall mean and include individuals, firms, corporations and associations.

"Race meet" shall mean and include any exhibition of thoroughbred, quarter horse, paint horse, appaloosa horse racing, arabian horse racing, or standard bred harness horse racing, where the parimutuel system is used.

Singular shall include the plural, and the plural shall include the singular; and words importing one gender shall be regarded as including all other genders.

Sec. 2. Section 4, chapter 55, Laws of 1933 as amended by section 1, chapter 32, Laws of 1982 and RCW 67.16.020 are each amended to read as follows:

It shall be the duty of the commission, as soon as it is possible after its organization, to prepare and promulgate a complete set of rules and regulations to govern the race meets in this state. It shall determine and announce the place, time and duration of race meets for which license fees are exacted; and it shall be the duty of each person holding a license under the authority of this chapter, and every owner, trainer, jockey, and attendant at any race course in this state, to comply with all rules and regulations promulgated and all orders issued by the commission. It shall be unlawful for any person to hold any race meet without having first obtained and having in force and effect a license issued by the commission as in this chapter provided; and it shall be unlawful for any owner, trainer or jockey to participate in race meets in this state without first securing a license therefor from the state racing commission, the fee for which shall be set by the commission which shall offset the cost of administration and shall not be for a period (~~of more than two~~) exceeding three years.

Sec. 3. Section 6, chapter 55, Laws of 1933 as last amended by section 2, chapter 32, Laws of 1982 and RCW 67.16.050 are each amended to read as follows:

Every person making application for license to hold a race meet, under the provisions of this chapter shall file an application with the commission which shall set forth the time, the place, the number of days such meet will continue, and such other information as the commission may require. The commission shall be the sole judge of whether or not the race meet shall be licensed and the number of days the meet shall continue. No person who has been convicted of any crime involving moral turpitude shall be issued a license, nor shall any license be issued to any person who has violated the terms or provisions of this chapter, or any of the rules and regulations of the commission made pursuant thereto, or who has failed to pay to the commission any or all sums required under the provisions of this chapter. The license shall specify the number of days the race meet shall continue and the number of races per day, which shall be not less than six nor more than (~~ten~~) eleven, and for which a fee shall be paid daily in advance of five hundred dollars for each day for those meets which had gross receipts from parimutuel machines in excess of fifty million dollars in the previous year and two hundred dollars for each day for meets which had gross receipts from parimutuel machines at or below fifty million dollars in the previous year; in addition any newly authorized race meets shall pay two hundred dollars per day for the first year: PROVIDED, That if unforeseen obstacles arise, which prevent the holding, or completion of any race meet, the license fee for the meet, or for a portion which cannot be held may be refunded the licensee, if the commission deems the reasons for failure to hold or complete the race meet sufficient. Any unexpired license held by any person who violates any of the provisions of this chapter, or any of the rules or regulations of the commission made pursuant thereto, or who fails to pay to the commission any and all sums required under the provisions of this chapter, shall be subject to cancellation and revocation by the commission. Such cancellation shall be made only after a summary hearing before the commission, of which three days' notice, in writing, shall be given the licensee, specifying the grounds for the proposed cancellation, and at which hearing the licensee shall be given an opportunity to be heard in opposition to the proposed cancellation.

Sec. 4. Section 7, chapter 55, Laws of 1933 as amended by section 1, chapter 31, Laws of 1979 and RCW 67.16.060 are each amended to read as follows:

- (1) It shall be unlawful:
 - (a) To conduct pool selling, bookmaking, or to circulate hand books; or
 - (b) To bet or wager on any horse race other than by the parimutuel method; or

(c) For any licensee to take more than the percentage provided in RCW 67.16.170; or

(d) For any licensee to compute breaks in the parimutuel system otherwise than at ~~((five))~~ ten cents.

(2) Any wilful violation of the terms of this chapter, or of any rule, regulation, or order of the commission shall constitute a gross misdemeanor and when such violation is by a person holding a license under this chapter, the commission may cancel the license held by the offender, and such cancellation shall operate as a forfeiture of all rights and privileges granted by the commission and of all sums of money paid to the commission by the offender; and the action of the commission in that respect shall be final.

(3) The commission shall have power to exclude from any and all race courses of the state of Washington any person whom the commission deems detrimental to the best interests of racing or any person who wilfully violates any of the provisions of this chapter or of any rule, regulation, or order issued by the commission.

(4) Every race meet held in this state contrary to the provisions of this chapter is hereby declared to be a public nuisance.

Sec. 5. Section 4, chapter 236, Laws of 1949 as last amended by section 3, chapter 132, Laws of 1982 and RCW 67.16.090 are each amended to read as follows:

In any race meet in which quarter horses, thoroughbred horses, appaloosa horses, standard bred harness horses, paint horses, or arabian horses participate(~~((only horses of the same breed shall be allowed to compete in any individual race))~~) horses of different breeds may be allowed to compete in the same race if such mixed races are so designated in the racing conditions.

Sec. 6. Section 1, chapter 16, Laws of 1980 and RCW 67.16.100 are each amended to read as follows:

In addition to the license fees required by this chapter, the licensee shall pay to the commission the percentages of the gross receipts of all parimutuel machines at each race meet in accordance with RCW 67.16.105, which sums shall be paid daily to the commission.

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-two 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 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))~~) Forty 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-five 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. Any moneys collected or paid to the commission under the terms of this chapter and not expended at the close of the fiscal biennium shall be paid to the state treasurer and be placed in the general fund. The commission may, with the approval of the office of financial management, retain any sum required for working capital.

Sec. 7. Section 6, chapter 31, Laws of 1979 as amended by section 3, chapter 32, Laws of 1982 and RCW 67.16.105 are each amended to read as follows:

~~((1) For race meets which have gross receipts of all parimutuel machines averaging more than five hundred thousand dollars for each authorized day of racing, the licensee shall pay to the commission daily four and one-half percent of the gross receipts up to the first five hundred thousand dollars of all parimutuel machines at each race meet. All receipts in excess of five hundred thousand dollars shall be paid daily at the rate of five percent.~~

~~(2) For race meets which have gross receipts of all parimutuel machines from four hundred thousand one dollars to five hundred thousand dollars for each authorized day of racing, the licensee shall pay to the commission daily four percent of the gross receipts of all parimutuel machines at each race meet.~~

~~(3) For race meets which have gross receipts of all parimutuel machines from three hundred thousand one dollars to four hundred thousand dollars for each authorized day of racing, the licensee shall pay to the commission daily three and one-half percent of the gross receipts of all parimutuel machines at each race meet.~~

~~(4) For race meets which have gross receipts of all parimutuel machines from two hundred fifty thousand one dollars to three hundred thousand dollars for each authorized day of racing, the licensee shall pay to the commission daily three percent of the gross receipts of all parimutuel machines at each race meet.~~

~~(5) For race meets which have gross receipts of all parimutuel machines from two hundred thousand dollars to two hundred fifty thousand dollars for each authorized day of racing, the licensee shall pay to the commission daily two percent of the gross receipts of all parimutuel machines at each race meet.~~

~~(6) For race meets which have gross receipts of all parimutuel machines less than two hundred thousand dollars for each authorized day of racing, the licensee shall pay to the commission daily one percent of the gross receipts of all the parimutuel machines at each race meet.)~~ The licensee shall pay to the commission daily for each authorized day of racing the following applicable percentage of all daily gross receipts from all parimutuel machines at each race meet:

(1) One-half percent of the daily gross receipts, if the daily gross receipts are two hundred thousand dollars or less;

(2) One percent of the daily gross receipts, if the daily gross receipts are two hundred thousand one dollars to four hundred thousand dollars; and

(3) Four percent of the daily gross receipts if the daily gross receipts are four hundred thousand one dollars or more.

Sec. 8. Section 2, chapter 94, Laws of 1969 ex. sess. as last amended by section 4, chapter 32, Laws of 1982 and RCW 67.16.130 are each amended to read as follows:

(1) Notwithstanding any other provision of law or of chapter 67.16 RCW, the commission may license race meets which are nonprofit in nature, of ten days or less, and which have an average daily handle of one hundred twenty thousand dollars or less, at a daily licensing fee of ten dollars (~~and a payment to the commission of one percent of the gross receipts of all parimutuel pools during such race meet~~), and the sponsoring nonprofit association shall be exempt from any other fees as provided for in chapter 67.16 RCW or by rule or regulation of the commission: PROVIDED. That the commission on or after January 1, 1971 may deny the application for a license to conduct a racing meet by a nonprofit association, if same shall be determined not to be a nonprofit association by the Washington state racing commission.

(2) Notwithstanding any other provision of law or of chapter 67.16 RCW the licensees of race meets which are nonprofit in nature, of ten days or less, and which have an average daily handle of one hundred twenty thousand dollars or less, shall (~~be permitted to retain fourteen percent of the gross receipts of all parimutuel pools during such race meet; except that exotic races at such meets shall be permitted to retain an additional one percent of the gross receipts of all parimutuel pools during such exotic races with the additional retained amount used for Washington bred breeder awards, not to exceed twenty percent of the winner's share of the purse. Any portion of the remainder of the one percent may be used to support the general purse structure of the race meet, except that all such increased revenue to the licensee to be used for purses will be in addition to and will not supplant the customary purse structure between racetracks and participating horsemen. As used in this section, "exotic races" means daily doubles, quinellas, trifectas, and exactas. Exotic races are subject to the approval of~~

~~the commission)) withhold and shall pay daily to the commission the percentages authorized by RCW 67.16.105, 67.16.170, and 67.16.175.~~

(3) Notwithstanding any other provision of law or of chapter 67.16 RCW or any rule promulgated by the commission, no license for a race meet which is nonprofit in nature, of ten days or less, and which has an average daily handle of one hundred twenty thousand dollars or less, shall be denied for the reason that the applicant has not installed an electric pari-mutuel tote board.

(4) As a condition to the reduction in fees as provided for in subsection (1) hereof, all fees charged to horse owners, trainers, or jockeys, or any other fee charged for a permit incident to the running of such race meet shall be retained by the commission as reimbursement for its expenses incurred in connection with the particular race meet.

Sec. 9. Section 5, chapter 31, Laws of 1979 as amended by section 1, chapter 228, Laws of 1983 and RCW 67.16.170 are each amended to read as follows:

~~((+)) Race meets which have gross receipts of all parimutuel machines ((averaging more than five hundred thousand dollars)) for each authorized day of racing may retain the following from the daily gross receipts of all parimutuel machines:~~

~~((a) From the first five hundred thousand dollars)) (1) On a daily handle of two hundred thousand dollars or less, the licensee ((may)) shall retain ((ten and one-half)) fourteen and one-half percent of such gross receipts; ((and~~

~~(b) From any amount above the first five hundred thousand dollars)) (2) On a daily handle of two hundred thousand one dollars to four hundred thousand dollars, the licensee shall retain fourteen percent of such gross receipts; and~~

~~(3) On a daily handle of four hundred thousand one dollars or more, the licensee ((may)) shall retain ((ten)) eleven percent of such gross receipts.~~

~~((2) Race meets which have gross receipts of all parimutuel machines from four hundred thousand one dollars to five hundred thousand dollars for each authorized day of racing may retain eleven percent from such gross receipts of any parimutuel machine:~~

~~(3) Race meets which have gross receipts of all parimutuel machines from three hundred thousand one dollars to four hundred thousand dollars for each authorized day of racing may retain eleven and one-half percent from such gross receipts of any parimutuel machine:~~

~~(4) Race meets which have gross receipts of all parimutuel machines from two hundred fifty thousand one dollars to three hundred thousand dollars for each authorized day of racing may retain twelve percent from such gross receipts of any parimutuel machine:~~

~~(5) Race meets which have gross receipts of all parimutuel machines from two hundred thousand dollars to two hundred fifty thousand dollars for each authorized day of racing may retain thirteen percent from such gross receipts of any parimutuel machine.~~

~~(6) Race meets which have gross receipts of all parimutuel machines less than two hundred thousand dollars for each authorized day of racing may retain fourteen percent from such gross receipts of any parimutuel machine:~~

~~(7) Of the amounts retained in subsections (1) through (6) of this section, at least one-half of one percent shall be utilized to support the general purse structure of the race meet, except that, all such increased revenue to the licensee to be utilized for purses will be in addition to and will not supplant the customary purse structure between race tracks and participating horsemen. An additional one-half of one percent shall be utilized for maintenance of the running surface, parking areas, and training and barn facilities. Any portion of the percentage for maintenance not necessary for such purposes may be utilized to support the general purse structure of the race meet.))~~

Sec. 10. Section 1, chapter 135, Laws of 1981 and RCW 67.16.175 are each amended to read as follows:

(1)(a) Of the daily gross receipts of all parimutuel machines from wagers on exotic races ~~((after May 12, 1981, an additional one))~~ two and one-half percent on races requiring two selections and three and one-half percent on races requiring three or more selections shall be retained and be forwarded to the state treasurer daily and deposited in the general fund of the state.

(b) In addition to the amounts authorized to be retained in RCW 67.16.170, race meets may retain an additional ~~((two))~~ three percent of the daily gross receipts of all parimutuel machines from wagers on exotic races requiring two selections to be used as provided in subsection~~((s))~~ (2) ~~((and (3)))~~ of this section.

~~((2) Of the amounts retained under subsection (1)(b) of this section for race meets, those race meets which have gross receipts of all parimutuel machines averaging more than five hundred thousand dollars for each authorized day of racing:~~

~~(a) Fifty-six percent shall be used for Washington-bred breeder awards, not to exceed twenty percent of the winner's share of the purse.~~

~~(b) Forty-four percent, not to exceed two thousand five hundred dollars per racing day, shall be used for capital improvements, including but not limited to the running surface, parking area, and training and barn and backstretch facilities.~~

~~(c) Any portion of the remaining two percent may be used to support the general purse structure of the race meet, except that all such increased revenue to the licensee to be used for purses will be in addition to and will~~

not supplant the customary purse structure between race tracks and participating horsemen:

~~(3) Of the amounts retained in subsection (1)(b) of this section for race meets, those race meets which have gross receipts of all parimutuel machines averaging five hundred thousand dollars or less for each authorized day of racing:~~

~~(a) Forty-five percent shall be used for Washington-bred breeder awards, not to exceed twenty percent of the winner's share of the purse.~~

~~(b) Any portion of the remaining two percent may be used to support the general purse structure of the race meet, except that all such increased revenue to the licensee to be used for purses will be in addition to and will not supplant the customary purse structure between racetracks and participating horsemen.~~

~~(4) As used in this section, "exotic races" means daily doubles, quinellas, trifectas, and exactas. Exotic races are subject to the approval of the commission:)~~

(c) In addition to the amounts authorized to be retained in RCW 67.16.170, race meets may retain an additional six percent of the daily gross receipts of all parimutuel machines from wagers on exotic races requiring three or more selections to be used as provided in subsection (2) of this section.

(2) Of the amounts retained in subsection (1) (b) and (c) of this section, one percent shall be used for Washington-bred breeder awards, not to exceed twenty percent of the winner's share of the purse.

(3) Any portion of the remaining moneys retained in subsection (1) (b) and (c) of this section shall be shared equally by the race track and participating horsemen. The amount shared by participating horsemen shall be in addition to and shall not supplant the customary purse structure between race tracks and participating horsemen.

(4) As used in this section, "exotic races" means any multiple wager. Exotic races are subject to approval of the commission.

Sec. 11. Section 14, chapter 2, Laws of 1983 and RCW 67.16.180 are each amended to read as follows:

~~((1) Race meets of twenty-five days or less, which run sixty percent quarter horses and/or Appaloosa races and/or Arabian races, may retain fourteen percent from the gross receipts of any parimutuel machine, except that exotic races at such meets shall be permitted to retain an additional one percent of the gross receipts of all parimutuel pools during such exotic races with the additional retained amount used for Washington-bred breeder awards, not to exceed twenty percent of the winner's share of the purse. Any portion of the remainder of the one percent may be used to support the general purse structure of the race meet, except that all such increased revenue to the licensee to be used for purses will be in addition to and will not~~

~~supplant the customary purse structure between racetracks and participating horsemen. As used in this section, "exotic races" means daily doubles, quinellas, trifectas, and exactas. Exotic races are subject to the approval of the commission.~~

~~(2) For race meets of twenty-five days or less, which run sixty percent quarter horses and/or Appaloosa races and/or Arabian races, the licensee shall pay to the commission daily one percent of the gross receipts of all parimutuel machines at each race meet. Such one percent shall be paid daily.)~~

Sec. 12. Section 3, chapter 70, Laws of 1981 and RCW 67.16.190 are each amended to read as follows:

Upon written application to the commission by a licensee holding a race meet, and approval by the commission, the licensee may conduct the sale of parimutuel pools on in-state or out-of-state televised or simulcast races of ~~((the Kentucky Derby, Preakness and Belmont races))~~ national or regional interest: PROVIDED, That the sale of such parimutuel pools shall be conducted only within the enclosure of the licensee's race course and only during the conduct of a race meet in the state of Washington by said licensee.

NEW SECTION. Sec. 13. A new section is added to chapter 67.16 RCW to read as follows:

Only breeders or owners of Washington-bred horses are eligible to demand and receive a breeder's award, an owner's bonus or both. The commission shall promulgate rules and regulations to certify Washington-bred horses. In setting standards to certify horses as Washington-bred, the commission shall seek the advice of and consult with industry, including (1) the Washington Horse Breeders' Association, for thoroughbreds; (2) the Washington State Standardbred Association, for standardbred harness horses; (3) the Northern Racing Quarter Horse Association, for quarter horses; (4) the Washington State Appaloosa Racing Association, for appaloosas; and (5) the Washington State Arabian Horse Racing Association, for arabian horses.

NEW SECTION. Sec. 14. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

NEW SECTION. Sec. 15. If any provisions or application of any provisions of this chapter are invalidated by a court of law, the remainder of the chapter shall not be affected.

Passed the Senate April 15, 1985.

Passed the House April 11, 1985.

Approved by the Governor April 25, 1985.

Filed in Office of Secretary of State April 25, 1985.