

**Washington Horse Racing Commission**  
**Meeting Minutes**  
**March 9, 2012**

The meeting convened at 9:30 A.M. at the Auburn City Council Chambers, Auburn, Washington. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Dr. Bud Hollowell, Commissioner; Representative Joe Schmick, Ex-officio Member; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary.

Item #1. Approval of the meeting minutes of February 10, 2012.

Commissioner Colliton moved to approve the minutes as submitted. Commissioner Hollowell seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Chairman George was unable to attend the Washington Thoroughbred Breeders and Owners Association awards banquet and mentioned his history with most of the inductees into the Hall of Fame.

Commissioner Colliton attended a telephone conference as the Washington representative for the National Racing Compact. He said the discussions were on the budget audit report and implementing a broader compact, working on the finer points. Commissioner Colliton also said he had visited the Pegasus Training Center and was very impressed.

Commissioner Hollowell said he did attend the awards banquet and said it was a very pleasant event.

Item #3. Industry Reports.

a. Emerald Downs report.

Bob Fraser, VP Operations gave the report for Mr. Ron Crockett who was unable to attend. Mr. Fraser said as Mr. Crockett had stated last month the handle was down 3.5% but due to some very positive days, the percentage had improved to down only 3%. He said there are 578 horses on the grounds as compared to 646 last year. He said one of the bigger trainers was returning to Emerald Downs this year and that was positive. Mr. Fraser said the stakes schedule had been completed and announced that the Muckleshoot Tribe had voted to contribute to the purse structure again this year, which was very much appreciated. The purses will be finalized next week. He said training was going well and the hours had been extended an extra half hour each day. Mr. Fraser said the starting gate would be in place beginning on March 15 and that would allow schooling of the horses to begin.

Commissioner Colliton asked about trainer's not returning to Emerald Downs and Mr. Fraser responded that some would not, but would be sending horses and not making the trip to stable at Emerald Downs.

Chairman George asked about the handle being up and Mr. Fraser said it's due to Santa Anita being up dramatically by switching to a four day per week schedule, and being able to simulcast seven days a week at Emerald Downs.

Chairman George asked if there were any new developments with Portland Meadows and Hastings Park and Mr. Fraser said he hadn't heard of any.

b. WHBPA report.

MaryAnn O'Connell reported for Mr. Ron Maus, President, who was unable to attend. She thanked Emerald Downs for their efforts in opening a new training track to jog horses. The general meeting of the WHBPA is set for March 31, 11:30 A.M., at the Quarterchute Café. Ms. O'Connell thanked Commissioner Hallowell for his assistance in presenting an idea that they hope to start at the Muckleshoot Tribal School; starting an equine education program, an apprentice/intern program located at the farms, this is very preliminary at this time. She said this would be one way to give back to the Tribe for all their assistance with the Emerald Downs program.

Commissioner Colliton asked if any effort had been achieved to alleviate the cost of Labor & Industries (L&I) fees. Ms. O'Connell said this has not moved very forward but they are working well with L&I and are moving toward a per stall program. She said this idea is moving cautiously forward.

c. WTBOA report.

Ms. Anne Sweet reported for Dana Halvorson, President, who was unable to attend. She indicated the presence of Ms. Karla Laird, Board Member and new board member, Will Brewer in attendance. She reported on the success of the Awards Banquet and they are in the works for nominations for the summer yearling sale.

Item #4. New Racing Regulatory Compact – Presentation & Discussion.

Mr. Ed Martin, President, Association of Racing Commissioners International (ARCI) was present to discuss the new Racing Regulatory Compact. Mr. Martin said the new regulatory compact has been developed as a result of anticipated federal intervention into the regulation of the horse racing industry. The compact was developed by representatives of the horse racing industry and the federal Committee on State Government. The effort is to bring nationally consistent rules and regulations into existence for each state that has horse racing, eliminating the confusing rules and regulations when horsemen go from state to state. Mr. Martin said the rulemaking in each state are for the most part the same. Commissions go through rule development, making changes, adopting model rules where they can, and it is a costly process. With a new compact this job could be done by compact staff and returned to each separate commission for passage benefitting all. As model rules are made, a new Administrative Procedure Plan (APA) would be promulgated to cover all states needs. Mr. Martin believes this can happen. He believes that about 95% of all rules are non-controversial with only about 5%

that are. The new compact would also be able to respond to issues with licensing, drug testing, public disclosure requests and racing integrity programs.

Mr. Martin responded to several questions that Mr. Lopez had previously provided him regarding the ability to opt out of some of the rules/regulations being proposed if in conflict with Washington laws; ability to customize regulations to meet Washington's criteria. Mr. Martin answered positively yes. Regarding emergency rules, Mr. Martin said the individual states would not lose the ability to enact emergency rules. Regarding costs, Mr. Martin said that costs would be covered by the membership dues paid by each state; no additional costs would be incurred. Regarding the current compact being utilized, thus not having to reinvent a new compact. Mr. Martin said this hadn't been brought up previously, but that it would be a topic of discussion at the spring conference in Oklahoma City. Mr. Martin said this creates a common ground for horsemen in rules, regulations and licensing.

Mr. Lopez asked how many states have passed the compact; Mr. Martin said New York, Kentucky, Virginia, and Colorado have passed the compact, and New Jersey and Delaware in the process of passing it.

FIVE MINUTE BREAK. 11:12 A.M. RECONVENED 11:17 A.M.

Item #5. ADW License Renewal – TwinSpires.

Mr. Lopez presented the license renewal for TwinSpires for 2012. He said Mr. Bradley Blackwell of TwinSpires had a conflict with our meeting and could not be available and asked that Mr. Lopez present the license renewal information for him.

Mr. Lopez said TwinSpires license expires on April 11, 2012, the renewal fee was received on February 23, 2012; the average daily amount of Washington accounts were \$168,536; the \$50,000 financial bond is in effect; no change in the agreement with Emerald Downs; no pending investigations and no pending enforcement actions are being taken by any government agency. Staff recommends approval.

Commissioner Colliton moved to approve the TwinSpires license renewal, effective April 12, 2012 through April 11, 2013 to conduct advance deposit wagering. Commissioner Hallowell seconded the motion. Unanimously approved.

Item #6. Rules of Racing – Adoption Hearings:

a. WAC 260-70-630 Threshold levels.

Doug Moore, Deputy Secretary said this proposal amends the section to update current ARCI recommendations regarding threshold levels on therapeutic and environmental substances. These amendments are recommended by both the ARCI and the RMTC. Staff is also recommending adoption.

Commissioner Hallowell moved to adopt the amendment to WAC 260-70-630. Commissioner Colliton seconded the motion. Unanimously approved.

b. WAC 260-70-640 Permitted medication.

Mr. Moore said that in July 2011 the WHRC received notice the Thoroughbred Owners and Breeders Association (TOBA) instituted new requirements for graded stake races regarding acceptable levels of phenylbutazone. This level must be no more than 2.0 micrograms/milliliter for graded stakes only and 5.0 micrograms/milliliter in all other races. Staff is recommending adoption.

Commissioner Hallowell moved to adopt the amendment to WAC 260-70-640. Commissioner Colliton seconded the motion. Unanimously approved.

c. WAC 260-70-680 Uniform classification guidelines. WAC 260-70-685 Alphabetical listing of all drugs, medication, and foreign substances (New Section).

Mr. Moore said the current listing of classification guidelines have not been updated since 2008. Staff proposed to amend 260-70-680 and add new section WAC 260-70-685 in which all substances are listed alphabetically showing the class of each substance, threshold level if established, and generic trade name rather than being separated by Class, this would make it much easier to locate substances. Staff is recommending adoption.

Commissioner Hallowell moved to adopt the amendments to WAC 260-70-680 and adopt the new section WAC 260-70-685. Commissioner Colliton seconded the motion. Unanimously approved.

Commissioner Hallowell agreed that this change was a much better. This made it much easier to locate substances.

Item #7. Commissioner Travel Approvals.

a. Sun Downs April 21 through May 5, 2012.

Mr. Lopez said in order for a Commissioner to be able to travel to and be reimbursed for expenses, the members must first approve it.

Chairman George moved to approve travel and expense reimbursement for any Commissioner traveling to and attending the races held at Sun Downs Race Track in Kennewick, Washington beginning on April 21 through May 5, 2012. Commissioner Colliton seconded the motion. Unanimously approved.

b. Annual RCI Conference April 25 through 27, 2012 – Oklahoma City, Oklahoma.

Mr. Lopez said the annual spring RCI conference is to be held April 25 through April 27 and requested approval be given for one Commissioner and/or the Executive Secretary or Deputy Secretary to attend.

Commissioner Colliton moved to send one Commissioner and either the Executive Secretary or the Deputy Secretary attend the ARCI Spring Conference April 25 through April 27 in Oklahoma City, Oklahoma. Chairman George seconded the motion. Unanimously approved.

Item #8. Executive Secretary's report.

a. 2011 GMAP.

Mr. Lopez presented the GMAP report and touched on participant safety, equine health and safety, licensing, drug and alcohol testing program, pre-race inspections, horse scratches and post-race testing.

Commissioner Hallowell asked the difference between the vet scratch and the late scratch and Mr. Moore explained that a late scratch could be a scratch by the racing secretary to allow an entry to enter into another race which may have a short field.

b. Wagering Recap.

Mr. Lopez updated the Commissioners on the wagering for the month of February by month, wagering period and race year.

c. Monthly Financial Statement.

Mr. Lopez explained the expenditures and revenues and the current fund balance of \$631,646.

Item #9. April 13, 2012 Regular Meeting of the Commission.

Mr. Lopez requested that the meeting scheduled for April 13, 2012 be cancelled due to no business at this time. Even though it will be opening day at Emerald Downs, Chairman George approved cancelling the meeting if no business comes up before the 30<sup>th</sup> of March.

Item #10. Any other business that may be properly brought before the Commission.

Commissioner Colliton asked Mr. Lopez on the disposition of the bill before the Legislature to combine the Horse Racing Commission with the Gambling Commission, the Lottery and the Liquor Control Board. Mr. Lopez said that bill did not receive a hearing and died in committee.

Commissioner Hallowell asked if the Class C race meets were able to acquire less expensive insurance. Ms. O'Connell had spoken with Shorty Martin of the Class C race meets and gave him some suggestions and name and phone numbers that might be of assistance, but did not know if they were successful. She had also advised them to work directly with Labor & Industries to see if they could work out some solution.

Meeting adjourned. 12 Noon.

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Robert J. Lopez, Executive Secretary

**Washington Horse Racing Commission  
Meeting Minutes - Special Meeting  
March 29, 2012**

The special meeting of the Washington Horse Racing Commission was convened at 9:30 a.m. via telephone conference call. Present were: Paul George, Chairman; Dr. Bud Hallowell, DVM, Commissioner; Representative Joe Schmick, Ex-officio Member; Sharon Payant, Assistant Attorney General; Doug Moore, Deputy Secretary; Patty Sorby, Confidential Secretary.

Also present on the telephone: Brad Blackwell, Vice President, Legal, TwinSpire; Bob Fraser, Vice President Operations, Emerald Downs, Northwest Racing Associates.

Item #1. TwinSpire Request to alter Plan of Operation – New Affiliates – Keeneland.com and Luckcity.com.

Mr. Moore presented the request from TwinSpire to change the Plan of Operation to add two new affiliates to their wagering platform; Keeneland.com and Luckcity.com. Mr. Moore said in accordance with WAC 260-49-030(8) “No subsequent changes in the advance deposit wagering service provider’s plan of operations may occur unless ordered by the commission or until written approval is obtained from the commission.”

Brad Blackwell, TwinSpire said this request is adding two wagering platforms to Washington bettors. Those wagers will be conducted through TwinSpire wagering portals operated by the current Oregon Hub.

Bob Fraser asked if the reporting of the wagers will be included under the TwinSpire report. Mr. Blackwell said yes.

Mr. Blackwell said Keeneland.com has been operating to a select few states that began in the summer of 2011 and has worked well, and the Luckcity.com was a new TwinSpire operation and TwinSpire wanted to offer both sites to their Washington account holders.

Mr. Moore said this request is similar to the previously approved request that was before the Commission by XpressBet’s request to utilize the Daily Racing Form trademarks.

Commissioner Hallowell said he wanted some assurance that this change without proper exposure to the public was no major change to include Keeneland.com and Luckcity.com into TwinSpire advance deposit wagering platform to Washington bettors, and asked Chairman George and Mr. Moore if they were satisfied with this request. Chairman George and Mr. Moore both agreed this was proper.

Commissioner Hallowell moved to approve the request from TwinSpire to add Keeneland.com and Luckcity.com to their advance deposit wagering platform. Chairman George seconded the motion. Unanimously approved.

Mr. Moore requested Mr. Blackwell send a revised Plan of Operation to the Commission. Mr. Blackwell said he would.

Meeting adjourned. 9:47 A.M.

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Doug Moore, Deputy Secretary