



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Washington Horse Racing Commission

- | | |
|--|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR 12-15-055 ; or | <input checked="" type="checkbox"/> Original Notice |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1). | <input type="checkbox"/> Continuance of WSR _____ |

Title of rule and other identifying information: (Describe Subject) Title 260 WAC

Hearing location(s):
 Auburn City Council Chambers
 25 W. Main
 Auburn, WA 98002

Date: November 9, 2012 Time: 9:30 a.m.

Submit written comments to:
 Name: Douglas L Moore
 Address: 6326 Martin Way Suite 209
 Olympia, WA 98516-5578
 e-mail doug.moore@whrc.state.wa.us
 fax (360) 459-6461 by (date) November 5, 2012

Assistance for persons with disabilities: Contact
 Patty Sorby by November 5, 2012
 TTY (360) 459-6462 or () _____

Date of intended adoption: November 9, 2012
 (Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: Amends how Labor and Industries premiums are calculated at both the race track and at the farms and training centers. Also addresses responsibilities of stakeholders to report number of employees and horses in training and penalties resulting from violations.

Reasons supporting proposal: The industry has struggled how to implement Labor and Industries premiums in a fair and equitable manner while attempting to attract out of state trainers to compete during the live racing season. The amendments would calculate Labor and Industries on a pay as you go system charging by a per stall per day rate.

Statutory authority for adoption: RCW 67.16.020

Statute being implemented:

Is rule necessary because of a:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:

DATE
 October 2, 2012

NAME (type or print)
 Douglas L Moore

SIGNATURE *Douglas L Moore*

TITLE
 Deputy Secretary

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
 STATE OF WASHINGTON
 FILED

DATE: October 02, 2012

TIME: 1:23 PM

WSR 12-20-061

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization)

- Private
- Public
- Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Douglas L Moore	6326 Martin Way Suite 209 Olympia, WA 98516-5578	(360) 459-6462
Implementation.... Robert J Lopez	6326 Martin Way Suite 209 Olympia, WA 98516-5578	(360) 459-6462
Enforcement..... Robert J Lopez	6326 Martin Way Suite 209 Olympia, WA 98516-5578	(360) 459-6462

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No. Explain why no statement was prepared. Not applicable

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No: Please explain: Not applicable

AMENDATORY SECTION (Amending WSR 07-11-115, filed 5/18/07, effective 6/18/07)

WAC 260-20-090 Association security. (1) A racing association conducting a race meet must maintain security controls over its grounds.

(2) An association will prevent access to, and will remove or cause to be removed from its restricted areas any person who is unlicensed, or who has not been issued a visitor's pass or other identifying credential, or whose presence in such restricted area is unauthorized.

(3) Class A or B racing associations must provide continuous security in the stable area during all times that horses are stabled on the grounds. An association will require any person entering the stable area to display a valid license or credential issued by the commission or a pass issued by the association.

(4) Class A or B racing associations must keep a written record, on a form approved by the commission, of all horses admitted to or leaving the stable areas. For horses admitted to the stable areas the log must contain the date, time, names of horses, and barn or name of trainer they are being delivered to. For horses leaving the stable areas the log must contain the date, time, name of horses, and barn or name of trainer they are leaving from. A copy of the completed form(s) must be provided to the commission on a weekly basis. The original log is subject to inspection at any time by the commission.

(5) All persons and businesses transporting horses on and off the grounds of a racing association are responsible to provide association security, and if applicable, the commission with the names of any horses delivered to or leaving the grounds and the trainer responsible.

(6) Class A or B racing associations must provide fencing around the stable area in a manner that is approved by the commission.

~~((5))~~ (7) Not later than twenty-four hours after an incident occurs requiring the attention of security personnel, the chief of security must deliver to commission security a written report describing the incident, which may be forwarded to the stewards for disciplinary action. The report must include the name of each individual involved in the incident and the circumstances of the incident.

AMENDATORY SECTION (Amending WSR 07-01-052, filed 12/14/06, effective 1/14/07)

WAC 260-36-062 Fitness to participate. (1) All applicants for a jockey, apprentice jockey, exercise rider, pony rider or outrider license must certify on their application that they are physically fit to ride.

(2) During the conduct of a race meet, if the board of stewards finds that a threat to the public health, safety or welfare requires emergency action, the board of stewards may require a jockey, apprentice jockey, exercise rider, pony rider or outrider to provide a physician's written statement verifying fitness to ride before being allowed to ride in a race or on the grounds of the racing association.

(3) All applicants for a groom, assistant trainer, or other employees of the trainer not on horseback, must certify on their application that they are physically fit to perform the duties of the position they hold.

(4) If, during the year of license, a groom, assistant trainer, or other employee of the trainer becomes injured, they will report the injury to the trainer, who must in turn report the injury to the board of stewards or executive secretary. If the injury adversely impacts an employee's ability to perform their duties, the board of stewards or executive secretary may require the employee provide a physician's written statement verifying fitness to perform their duties before the employee will be allowed to return to work on or off the grounds of the racing association.

AMENDATORY SECTION (Amending WSR 07-01-052, filed 12/14/06, effective 1/14/07)

WAC 260-36-080 Duration of a license. (1) Every license issued by the commission will be for a term not exceeding one year. Licenses expire on December 31st of each year except as otherwise provided in this rule.

(2) Licenses issued to employees and volunteers of a racing association will be for a term of one year and expire on the last day of February of each year.

(3) A license will be considered expired as of the end of the month in which the final live race day of the year is run, unless extended as provided in subsection (4) of this section, the date a licensee is no longer performing the activities for which he or she was licensed, or, if applicable, the date the licensee is no longer

employed by the employer who hired the licensee. The commission or its designee may, at its sole discretion, reinstate such a license if the licensee is reemployed or begins performing the activities for which he or she was licensed prior to the end of the license period for which the license had been originally issued.

(4) All licenses issued to exercise riders - track, and pony riders - track will expire on the last live race day of the year. All licenses issued to trainers, assistant trainers, grooms, exercise riders - farm, and pony riders - farm, will expire at the end of the month in which the final live race day of the year the track is run, unless extended as provided in subsection (5) of this section.

(5) The license of trainers, assistant trainers, grooms, exercise riders - farm, and pony riders - farm may be extended if the trainer chooses to extend industrial insurance coverage as provided in WAC 260-360-250 (4) (a). In those cases, the license of the trainer and the trainer's employees will not expire as provided in subsection (4) of this section until industrial insurance coverage is no longer obtained or until December 31st, whichever comes first.

AMENDATORY SECTION (Amending WSR 10-21-055, filed 10/14/10, effective 11/14/10)

WAC 260-36-085 License and fingerprint fees. (1) The following are the license fees for any person actively participating in racing activities:

Apprentice jockey	\$83.00
Assistant trainer	\$40.00
Association employee(=)- <u>Management</u>	\$27.00
Association employee(=)- <u>Hourly/seasonal</u>	\$17.00
Association volunteer nonpaid	No fee
Authorized agent	\$27.00
Clocker	\$27.00
Exercise rider - <u>Farm</u>	\$83.00
<u>Exercise rider - Track</u>	<u>\$83.00</u>
Groom	\$27.00
Honorary licensee	\$17.00
Jockey agent	\$83.00
Jockey	\$83.00
Other	\$27.00
Owner	\$83.00
Pony rider - <u>Farm</u>	\$83.00
<u>Pony rider - Track</u>	<u>\$83.00</u>

Service employee	\$27.00
Spouse groom	\$27.00
Stable license	\$51.00
Trainer	\$83.00
Vendor	\$127.00
Veterinarian	\$127.00

(2) Exercise and pony riders.

(a) A person receiving an exercise rider - track license must first obtain an exercise rider - farm license if that person works off the grounds of a Washington race track. A person receiving a second exercise rider's license will not be charged an additional license fee for that second license.

(b) A person receiving a pony rider - track license must first obtain a pony rider - farm license if that person works off the grounds of a Washington race track. A person receiving a second pony rider's license will not be charged an additional license fee for that second license.

(3) In other cases, the license fee for multiple licenses may not exceed \$127.00, except persons applying for owner, veterinarian or vendor license must pay the license fee established for each of these licenses.

The following are examples of how this section applies:

Example one - A person applies for the following licenses: Trainer (\$83.00), exercise rider (\$83.00), and pony rider (\$83.00). The total license fee for these multiple licenses would only be \$127.00.

Example two - A person applies for the following licenses: Owner (\$83.00), trainer (\$83.00) and exercise rider (\$83.00). The total cost of the trainer and exercise rider license would be \$127.00. The cost of the owner license (\$83.00) would be added to the maximum cost of multiple licenses (\$127.00) for a total license fee of \$210.00.

Example three - A person applies for the following licenses: Owner (\$83.00), vendor (\$127.00), and exercise rider (\$83.00). The license fees for owner (\$83.00) and vendor (\$127.00) are both added to the license fee for exercise rider (\$83.00) for a total license fee of \$293.00.

In addition to the above fees, except for association volunteers (nonpaid) at Class C race meets, a \$10.00 fee will be added to cover the costs of conducting a fingerprint-based background check. The background check fee will be assessed only once annually per person regardless of whether the person applies for more than one type of license in that year.

The commission will review license and fingerprint fees annually to determine if they need to be adjusted to comply with RCW 67.16.020.

WAC 260-36-120 Denial, suspension, and revocation--Grounds.

(1) The commission, executive secretary, or board of stewards may refuse to issue or may deny a license to an applicant, may modify or place conditions upon a license, may suspend or revoke a license issued, may order disciplinary measures, or may ban a person from all facilities under the commission's jurisdiction, if the applicant licensee, or other person:

(a) Has been convicted of any felony or gross misdemeanor crime;

(b) Is subject of current prosecution of any felony crime;

(c) Has any felony conviction under appeal;

(d) Has pending criminal charges;

(e) Has failed to meet the minimum qualifications required for the license for which they are applying;

(f) Has failed to disclose or states falsely any information required in the application;

(g) Has been found in violation of statutes or rules governing racing in this state or other jurisdictions;

(h) Has a proceeding pending to determine whether the applicant or licensee has violated the rules of racing in this state or other racing jurisdiction;

(i) Has been or is currently excluded from a racetrack at which parimutuel wagering on horse racing is conducted by a recognized racing jurisdiction;

(j) Has had a license denied by any racing jurisdiction;

(k) Is a person whose conduct or reputation may adversely reflect on the honesty and integrity of horse racing or who may interfere or has interfered with the orderly conduct of a race meeting;

(l) Demonstrates financial irresponsibility by accumulating unpaid obligations, defaulting in obligations or issuing drafts or checks that are dishonored or payment refused;

(m) Has violated any of the alcohol or substance abuse provisions outlined in chapter 260-34 WAC;

(n) Has violated any of the provisions of chapter 67.16 RCW;

(o) Has violated any provisions of Title 260 WAC;

(p) Has association with persons of known disreputable character; ((or))

(q) Has not established the necessary skills or expertise to be qualified for a license as required by WAC 260-36-060; or

(r) Has committed any act with the outcome or intent of defrauding the industrial insurance benefits provided under the horse industry account.

(2) The commission, executive secretary or board of stewards must deny the application for license or suspend or revoke an existing license if the applicant or licensee:

(a) Is certified under RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order;

(b) Has any outstanding arrest warrants; or

(c) Is currently suspended or revoked in Washington or by another recognized racing jurisdiction.

(3) A license suspension or revocation will be reported in writing to the applicant or licensee and electronically to the Association of Racing Commissioners International, Inc.

AMENDATORY SECTION (Amending WSR 12-05-042, filed 2/10/12, effective 3/12/12)

WAC 260-36-250 Industrial insurance. (1) At the time of submitting a license application, or as provided in this section, all ~~((trainers must pay the industrial insurance premium assessment required by RCW 67.16.300 and 51.16.210 for each person in their employment. The industrial insurance premiums will be based on the type of race meet the trainer is licensed to participate at and the type of license the employee is licensed as. All the trainer's employees must be properly licensed by the commission before being allowed to work. If a trainer releases an employee from employment, the trainer must notify the stewards within forty-eight hours.~~

~~(2) Class A, B, and C race meet.~~

~~(a) Trainers who are licensed at a Class A or B race meet must pay the industrial insurance premiums established by the department of labor and industries for parimutuel horse racing at major tracks.~~

~~(b) Trainers who are licensed at a Class C race meet will pay the industrial insurance premiums established by the department of labor and industries for parimutuel horse racing for nonprofit tracks.~~

~~(c) The trainer's base premium, covers all licensed pony riders employed by the trainer, and excludes assistant trainers, grooms and exercise riders.~~

~~(d) If a trainer who is licensed at a Class A or B race meet wishes to run a horse(s) at a Class C race meet during the same calendar year, the trainer from the Class A or B race meet is not required to pay any additional industrial insurance premiums to participate at a Class C race meet unless the trainer adds a groom slot or an assistant trainer, or starts different horses or adds more horses in training than they had at the Class A or B race meet. Should a trainer increase the number of employees or different horses started or in training, the trainer must pay the additional industrial insurance premiums for the Class C race meet.~~

~~(e) If a trainer who is licensed at a Class C race meet wishes to run a horse(s) at a Class A or B race meet during the same calendar year, the trainer from the Class C race meet must first pay the difference in industrial insurance premiums between what he/she has paid at the Class C race meet and the industrial insurance premiums due at the Class A or B race meet.~~

~~A trainer with a Class C license is ineligible to obtain Class~~

~~A or B short duration coverage.~~

~~(3) Grooms and assistant trainers.~~

~~(a) At the time of licensing, or as provided in this section, a trainer must pay the annual industrial insurance premiums for grooms and assistant trainers established by labor and industries, unless exempted under reciprocal agreement outlined in subsection (7) of this section. Coverage will only apply to licensed grooms and assistant trainers working for the trainer, and excludes pony riders, and exercise riders employed by the trainer. In addition, a spouse groom is exempt from coverage requirements. A trainer is responsible for accurately reporting all grooms and assistant trainers in the trainer's employ. If a trainer releases any employee from employment, the trainer must notify the stewards within forty-eight hours. It is the trainer's responsibility to ensure all grooms and assistant trainers in their employ are properly licensed by the commission. (See also WAC 260-36-060 (1)(a).)~~

~~(b) A trainer must purchase a separate groom premium for the maximum number of grooms and/or assistant trainers hired at any one time. Prior to hiring a groom or assistant trainer, the trainer must ensure that a vacant groom/assistant trainer slot is available prior to allowing the groom or assistant trainer to work.~~

~~(4) Horse premiums - Exercise riders.~~

~~(a) At the time of licensing, or as provided in this section, a trainer must pay the annual industrial insurance premiums for all horses in training which covers exercise riders established by labor and industries unless exempted under reciprocal agreement outlined in subsection (7) of this section. Coverage will only apply to licensed exercise riders exercising horses for a licensed trainer and for trainers, also licensed as exercise riders, exercising any of the horses in their care and excludes grooms, assistant trainers and pony riders. All trainers at a Class A or B track are required to pay an industrial insurance premium for at least one horse. It is the trainer's responsibility to ensure all exercise riders in their employ are properly licensed by the commission.~~

~~(b) A trainer at a Class A or B track must pay all required annual industrial insurance premiums equal to the maximum number of horses in training on any given day, which covers exercise riders, during the calendar year that the trainer has both on and off the grounds of a racing association. A trainer is responsible for accurately reporting all horses as they enter and leave the grounds of a racing association and all horses in training off the grounds.~~

~~(c) For horses on the grounds of a Class A or B track, a trainer must count each horse under the trainer's care. Premiums will be calculated on the maximum number of horses in the trainer's care on any one day, even if the horse is stalled on the grounds for a day or less. (For example, if a trainer comes to Washington to enter or nominate his/her horse in one race and the horse is only on the grounds for one day, the trainer is required to pay the full industrial insurance premium for that one horse, except for short duration coverage as provided in subsection (4) of this section.) Pony horses will not be counted.~~

~~(i) For horses off the grounds, a trainer must count all horses in training that are subject to being ridden by licensed exercise riders, if the exercise riders are to be covered by the Washington labor and industries insurance under the horse industry account.~~

~~(ii) If any trainer increases the number of horses in training or racing, either on or off the grounds during the calendar year, the trainer is responsible to pay the additional premiums as provided in this section.~~

~~(iii) If any trainer decreases the number of horses in training or racing, either on or off the grounds during the calendar year, the trainer is not entitled to any refund as premiums are annual fees that are not prorated and are assessed on the maximum number of horses in training on any day during the calendar year.~~

~~(iv) It is the trainer's responsibility to maintain records and accurately report the number of horses in training (both on and off the grounds) for purposes of paying industrial insurance premiums required by this section. If at any time during the calendar year a trainer increases the number of horses in training or racing beyond the premium previously assessed, the trainer is responsible for immediately reporting and paying the additional premium owed.~~

~~(d) A trainer at a Class C track must pay industrial insurance premiums which covers exercise riders equal to the maximum number of different horses the trainer starts at the Class C tracks during the calendar year, or the maximum number of horses the trainer has in training, whichever is greater. All trainers at a Class C track are required to pay industrial insurance for at least one horse.~~

~~(i) If during the calendar year a horse is started by more than one trainer, that horse, for the purpose of calculating the annual industrial insurance premium a trainer is required to pay, will count as a different horse for each trainer.~~

~~(ii) It is the trainer's responsibility to maintain records and accurately report the number of different horses started or in training for the purpose of paying industrial insurance premiums required in this section. If at any time during the calendar year a trainer increases the number of different horses started or the total number of horses in training beyond the premium previously assessed, the trainer is responsible for immediately reporting and paying the additional premium owed.~~

~~(5) Short duration coverage.~~

~~(a) Trainers entering horses to run in Washington races will be allowed to obtain short duration industrial insurance coverage that will reduce the amount of industrial insurance premium a trainer has to pay to provide employees financial relief from injury. Short duration coverage may be purchased no sooner than seven days prior to the start of the live race meet where the trainer plans to run. The following conditions will apply for short duration coverage:~~

~~(i) Trainers who ship in to Class A or B race meets may purchase short duration industrial insurance coverage for thirty consecutive calendar days. Trainers who have purchased any annual~~

~~coverage at Class A or B race meets including paying installment premiums are not eligible for short duration coverage. Thirty-day short duration coverage can be purchased for each trainer's base coverage. Separate thirty-day short duration coverage can be purchased for each groom, and/or assistant trainer and separate coverage can be purchased for each horse on the grounds, which cover the exercise rider. The premium for thirty-day coverage will be set by the department of labor and industries (rounded to the next whole dollar). A trainer may only purchase Class A or B race meet short duration coverage for three thirty-day periods per calendar year. If a trainer extends coverage for more than three thirty-day periods, the trainer will owe the annual premium for each groom and assistant trainer, and the annual premium for exercise rides (based on all horses on the grounds during the previous ninety-day coverage period). The premium owed for coverage extending past ninety days will be the annual premium, less what the trainer may have already purchased for each risk class.~~

~~(ii) Trainers who ship in to Class C race meets may purchase short duration industrial insurance coverage for seven consecutive calendar days. Seven-day short duration coverage can be purchased for each trainer's base premium. Separate seven-day short duration coverage can be purchased for each groom and assistant trainer. The premium for seven-day short duration coverage will be set by the department of labor and industries (rounded to the next whole dollar). A trainer may only purchase Class C race meet short duration coverage for three seven-day periods per calendar year. Class C race meet short duration industrial insurance coverage is not transferable to a Class A or B race meet.~~

~~(b) When applying for short duration coverage, a trainer must obtain a license and pay all applicable license and fingerprint fees required in WAC 260-36-085. The trainer is also required to ensure that each groom, assistant trainer, pony rider, and exercise rider hired by the trainer has a proper license. A trainer may only employ persons on the grounds of the racing association who are properly licensed by the commission. Prior to the end of each short duration coverage period a trainer must pay the short duration premium for any additional grooms, or assistant trainers (slots) and any additional horses brought on the grounds of a Class A or B race meet, or any additional horses started in a race at Class C race meets.~~

~~(c) Short duration coverage is only valid for the thirty-day period for Class A and B race meets or the seven-day period for Class C race meets and only covers workers while in the state of Washington.~~

~~(6) Installment program.~~

~~(a) As provided in subsections (1) through (4) of this section a trainer, at the time of licensing must pay the annual industrial insurance premiums for all employees, including assistant trainers and grooms, as well as premiums for horses in training to cover the exercise riders, and pony riders. However, a trainer may pay the annual industrial insurance premiums in installments as long as the horsemen's representative, through an agreement with the~~

~~commission, agrees to assume financial responsibility and pay to the commission any delinquent industrial insurance premiums owed by trainers at the end of the racing season.~~

~~(b) A trainer who chooses to pay industrial insurance premiums in installments is obligated to make all installment payments of the annual industrial insurance premiums on the dates set annually by the executive secretary.~~

~~(i) The number of installment payments and percentages of each payment will be determined by the horsemen's representative and the executive secretary.~~

~~(ii) After the initial installment premium payment, if the trainer adds additional groom slots, assistant trainer slots, or owes additional horse premiums to cover exercise riders, the trainer must make a payment equal to all previous installments owed.~~

~~(c) Once a trainer makes an initial payment of industrial insurance, the trainer is responsible for the full annual premium. The total amount of premium owed will be considered undisputed under WAC 260-28-030, and failure to make any or all of the additional premium payments will be considered a violation. The board of stewards or executive secretary will have the authority to take action to collect the unpaid premium, including issuing a fine and suspending the trainer's license until the premium and fines are paid as provided in WAC 260-84-135.~~

~~(7) Reciprocal agreements. The state of Washington has reciprocal agreements with other states. Trainers shipping in from these jurisdictions who have industrial insurance from a reciprocal state need not obtain industrial insurance coverage so long as they comply with the conditions of RCW 51.12.120 and WAC 296-17-31009.) licensed trainers must provide the commission with the name of all licensed employees, including grooms, assistant trainers, exercise riders - farm, and pony riders - farm. Trainers will be required to maintain accurate payroll records and may be required to submit them to the commission or the department of labor and industries for premium verification and/or claims processing. In addition the trainer will inform the commission of the worksite for each employee. For the purpose of industrial insurance coverage a worksite may only be one of the following locations:~~

~~(a) A Washington race track - A race track in the state of Washington granted race dates by the commission. A site will be designated as a Washington race track for the purposes of industrial insurance for only the period of the track's licensed race meet and periods of training when horses are exercised in preparation for competition. This period of time is limited to only that period of time when the stewards have authority on the grounds (WAC 260-24-510(2));~~

~~(b) Farm or training center - A farm or training center is any location off the grounds of a licensed race meet. This will include any recognized race track located outside the state of Washington as well as any Washington race track during the period before its period of training or after its licensed race meet. For the purposes of industrial insurance all such locations will be~~

considered a farm or training center.

(2) Grooms and assistant trainers.

(a) A licensed trainer must pay the industrial insurance premiums for all licensed grooms and licensed assistant trainers as established by labor and industries, unless exempted under reciprocal agreement outlined in subsection (5) of this section. Coverage will only apply to licensed grooms and licensed assistant trainers working for the trainer, and excludes all exercise riders, pony riders, and any other licensed employee of the trainer, whether working at a farm or training center. In addition, licensed spouse grooms are exempt from coverage requirements.

(b) A trainer is responsible for accurately reporting to the commission all grooms and assistant trainers in the trainer's employ. If a trainer releases any employee from employment, the trainer must notify the commission within forty-eight hours. Failure to notify the commission within forty-eight hours may result in the trainer being responsible for the full industrial insurance premium until notification is made. It is the trainer's responsibility to ensure all grooms and assistant trainers in their employ are properly licensed by the commission.

(c) The industrial insurance premiums will be assessed based on each groom or assistant trainer employed in the coverage month, or on a per day basis. The daily rate is ten percent of the monthly rate. Premiums will be paid to the commission on a monthly basis. A trainer must pay the assessed industrial insurance premium for each licensed groom and licensed assistant trainer at the end of each month, or before the trainer leaves the grounds taking his/her horses. Multiple trainers may employ the same groom, but each trainer is responsible for the entire applicable labor and industries premium. Payment of the full premium is normally due prior to the fifteenth of the following month. Failure to make the payment by the fifteenth will result in a fine and, if applicable, a suspension as outlined in WAC 260-84-135.

(3) Track employees.

(a) A trainer must pay the industrial insurance premiums for all track employees employed by the training to work on the grounds of a race track unless exempted under reciprocal agreement outlined in subsection (5) of this section. Coverage will only apply to track employees, which will include licensed exercise riders - track, and licensed pony riders - track, and excludes all grooms, spouse grooms, assistant trainers, and all farm employees working off the grounds of a Washington race track at a farm or training center.

(b) It is the trainer's responsibility to ensure all track employees in their employ are properly licensed by the commission.

(c) The industrial insurance premiums to cover track employees will be assessed on the number of horses, per day, in a month a license trainer has horses on the grounds. The number of horses will include all horses on the grounds under the care of a licensed trainer, including pony horses. Premiums will be paid to the commission on a monthly basis. A trainer must pay the assessed industrial insurance premium for each horse per day at the end of each month, or before the trainer leaves the grounds taking his/her

horses.

(i) A trainer is responsible to accurately report the correct number and identity of any horse or horses in their care.

(ii) A trainer is responsible to report any transfer of a horse in their care to another trainer at the commission office. Failure to report transfers will result in the trainer being assessed the industrial insurance premium for unreported transfers until the commission receives the required notice.

(4) Farm employees.

(a) A licensed trainer must pay the industrial insurance premiums for all licensed farm employees employed by the trainer to work at a farm or training center unless exempted under reciprocal agreement outlined in subsection (5) of this section. Coverage will only apply to licensed farm employees which will include licensed exercise riders - farm, and licensed pony riders - farm, and excludes grooms, spouse grooms, assistant trainers, and all track employees working on the grounds of a Washington race track.

(b) A trainer is responsible for accurately reporting all farm employees in the trainer's employ. A trainer must notify the commission prior to any employee beginning work. If a trainer releases any farm employee from employment, the trainer must notify the stewards within forty-eight hours. Failure to notify the commission within forty-eight hours may result in the trainer being responsible for the full industrial insurance premium until notification is made. It is the trainer's responsibility to ensure all farm employees in their employ are properly licensed by the commission.

(c) The industrial insurance premiums to cover farm employees will be assessed on the number of employees, per day, multiplied by the number of days in the month the trainer reports the employee working. Trainers must report the anticipated work days and hours of work each day at the start of the month. If the work schedule changes the trainer must immediately notify the commission.

(d) A farm employee may be required to produce to the commission payroll records for verification of work days and/or claims processing.

(5) Reciprocal agreements. The state of Washington has reciprocal agreements with other states. Trainers shipping in from these jurisdictions who have industrial insurance from a reciprocal state need not obtain industrial insurance coverage so long as they comply with the conditions of RCW 51.12.120 and WAC 296-17-31009.

(6) Employees moving from one worksite to another.

(a) A licensed groom or licensed assistant trainer can move from the track to the farm or from the farm to the track. The trainer is not required to notify the commission whenever a licensed groom or licensed assistant trainer moves from the different worksites.

(b) A licensed exercise rider - track or licensed pony rider - track may not move from the track to the farm unless that person first obtains an exercise rider - farm or pony rider - farm license. On those days a track employee moves from the track to the farm, the trainer will be responsible, at the end of the month, to pay an additional farm premium for each employee, for each day

they worked at the farm as provided in subsection (4) of this section.

(c) A licensed exercise rider - farm or licensed pony rider - farm can move from the farm to the track. Before moving any such employees, the employee must first also be licensed as an exercise rider - track or pony rider - track. On those days a farm exercise rider or pony rider moves to the track, the trainer will not be responsible to pay any additional premium, as long as the employee continues to have the farm premium assessed.

(d) A track employee is only covered under the per horse, per day premium, and then only while on the grounds of a Washington race track during its licensed race meet and periods of training. Any time prior to or after the stewards have authority on the grounds granted in WAC 260-24-510(2), the Washington track will be considered, for the purposes of industrial insurance coverage a farm or training center.

(7) Major track versus nonprofit race track.

(a) There will no longer be a distinction, for industrial insurance purposes, except as provided in (b) of this subsection, between a major (Class A or B) race track and a nonprofit (Class C) race track. Premiums to cover licensed employees will be assessed the same.

(b) License owners at a major race track will be assessed a premium of one hundred fifty dollars per year for one hundred percent ownership of one or more horses. Owners, with partial ownership interest shall be assessed a prorated amount of the full ownership fee in increments of ten percent. Owners at a nonprofit or Class C race track will continue to pay a lesser premium as established annually by the department of labor and industries.

(c) Premiums paid by owners are a fee to subsidize workers compensation coverage for injured workers. The premiums paid by owners do not extend any coverage to owners.

(8) Coverage outside the state of Washington.

(a) Trainers with employees from Washington may continue coverage when they are at another recognized race track in another state if that other jurisdiction has a reciprocal agreement with the state of Washington, and if:

(i) The trainer pays the premium for grooms and assistant trainers, and as long as both the trainer and grooms/assistant trainers are licensed by the commission; and

(ii) The trainer pays the premium at the farm rate for exercise riders - farm and pony riders - farm, and as long as both the trainer and all farm employees are licensed by the commission.

(b) Trainers must continue to report Washington employees to the commission prior to the start of each month so an assessment can be made. Failure to report may result in the trainer being referred to the stewards or executive secretary for further action.

(c) Track employees hired in another state or jurisdiction are not Washington employees. They are to be covered in the state or jurisdiction they were hired in. It is the trainer's responsibility to obtain coverage in the other state or jurisdiction.

(9) Trainers will be provided an invoice monthly of premiums

due. Total monthly premiums will be rounded to the next whole dollar.

NEW SECTION

WAC 260-36-260 Employees and duties. (1) Employees of licensed trainers are grooms, assistant trainers, exercise riders (both at the track and at the farm), and pony riders (both at the track and at the farm). Employees of a trainer may only perform those duties for which they are licensed and as outlined in this section. For the purposes of industrial insurance coverage under the horse industry account, coverage will only extend while an employee is properly licensed by the commission, employed by a licensed trainer, and only performing duties associated with the employee's license.

(2) Exercise riders, both at the track and farm may only perform the following duties:

(a) Exercise horses, which includes riding, lunge and line drive horses;

(b) Assist with saddling horses for training;

(c) Unsaddle horses following training;

(d) Clean tack following training;

(e) An exercise rider may not perform any of the duties of a groom, assistant trainer, pony rider, or other duties not usually preparing horses for competition.

(3) Pony riders may only perform the following duties:

(a) Escort horses to the track during training;

(b) Escort horses to the receiving barn and to the stable following a race;

(c) Escort horses to the starting gate in the post parade during racing (pony rider - track only);

(d) Clean stalls, rake and clean stable area associated with their ponies;

(e) A pony rider may not perform any duties of a groom, assistant trainer, exercise rider, or other duties not normally associated with escorting horses.

(4) Grooms may perform the following duties:

(a) Clean stalls, rake and clean stable area;

(b) Bathe, groom, feed, and water horses;

(c) Lead horses to and from hot walkers or to the track and/or receiving barn and paddock;

(d) Apply bandages, salves, topical medications, etc.;

(e) Tack horses for training;

(f) Handle horses in the paddock and test barn; and

(g) A groom may not mount or ride a horse.

(5) Assistant trainers may perform the duties of a groom and additionally may represent the trainer in other matters such as entering and scratching horses. An assistant trainer also may not mount or ride a horse.

AMENDATORY SECTION (Amending WSR 12-05-042, filed 2/10/12, effective 3/12/12)

WAC 260-84-135 Penalties relating to industrial insurance.

For ~~((licensees))~~ trainers, whether at a race track or farm or training center, who fail to report correct industrial insurance requirements (number of persons in their employ and the number of horses in their care), the following penalties will be assessed:

(1) Failure to report correct number of horses ~~((in training))~~ on the grounds will result in a fine of ~~((fifty percent of the premium owed))~~ one hundred dollars for each horse and full payment of premium.

(2) Failure to report proper identification of horses entering or leaving the stable area will result in a fine of fifty dollars.

(3) Failure to report the correct number of employees (grooms ~~((and)),~~ assistant trainers, exercise riders - farm, and pony riders - farm) will result in a fine of ~~((fifty percent of the premium owed))~~ one hundred dollars per month, per employee and full payment of premium.

(4) Failure to pay industrial insurance premium payment required under WAC 260-36-250 will result in a fine of one hundred dollars if payment is not received on or prior to the dates required. If the payment is not received within two days of the due date, the trainer's license will be suspended until the premium and fine are received by the commission. If a trainer leaves the grounds of a race track, taking his/her horses and fails to pay all premiums due, the trainer may be summarily suspended until the premium and the fine are received by the commission.

(5) Trainers who fail to comply with the industrial insurance requirements of WAC 260-36-250 may also have conditions placed on their license, including the inability to license farm employees, or being limited to conducting their business only on the grounds of a Washington race track during its licensed race meet and periods of training.