



# RULE-MAKING ORDER

**CR-103E (May 2009)**  
(Implements RCW 34.05.360)

**Agency:** Washington Horse Racing Commission

**Emergency Rule Only**

**Effective date of rule:**

**Emergency Rules**

- Immediately upon filing.
- Later (specify) \_\_\_\_\_

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes
  - No
- If Yes, explain:

**Purpose:**

To amend WAC 260-36-220 and 260-36-230 to extend the period of short duration license at Class A & B racing associations from seven to thirty day in an attempt to attract more trainers and horses to run in Washington. This action is being taken at the specific request of the Washington Horsemen's Benevolent and Protective Association, the industry group representing those this amendment would affect, and therefore is exempt from the limitations of EO 10-06.

**Citation of existing rules affected by this order:**

Repealed:  
 Amended: WAC 260-36-220, WAC 260-36-230  
 Suspended:

**Statutory authority for adoption:** RCW 67.16.020

**Other authority :**

**EMERGENCY RULE**

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.
- That in order to implement the requirements or reductions in appropriations enacted in any budget for fiscal years 2009, 2010, or 2011, which necessitates the need for the immediate adoption, amendment, or repeal of a rule, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the fiscal needs or requirements of the agency.

Reasons for this finding: The WHRC is required by law (RCW 67.16.300) to collect industrial insurance premiums required by RCW 51.16.210. These premiums are tied to the participants' license and collected at the time of licensing. This has left many out-of-state trainers with the perception that Washington's "license fees" are some of the highest in the nation. While this is not the case, the perception has kept trainers from running in Washington, jeopardizing the overall welfare of Washington equine industry. In response immediate action is needed to change this perception and encourage horsemen to bring their horses to Washington. Current economic conditions coupled with fewer horses participating in live horse racing make it critical that immediate action is taken to preserve the general welfare of the state's equine industry.

**Date adopted:** 4/19/2011

**NAME (TYPE OR PRINT)**  
Douglas L Moore

**SIGNATURE**

**TITLE**  
Deputy Secretary

**CODE REVISER USE ONLY**

**OFFICE OF THE CODE REVISER**  
**STATE OF WASHINGTON**  
**FILED**

**DATE: April 19, 2011**  
**TIME: 4:42 PM**

**WSR 11-09-077**

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	<u>2</u>	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	<u>2</u>	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	_____	Repealed	_____

AMENDATORY SECTION (Amending WSR 09-23-063, filed 11/13/09, effective 12/14/09)

**WAC 260-36-220 Industrial insurance premiums--Additional premiums for exercise riders.** (1) At the time of licensing, and as provided in this section and WAC 260-36-230, a trainer must pay the annual industrial insurance premiums for exercise riders established by labor and industries, unless exempted under WAC 260-36-240. 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. It is the trainer's responsibility to ensure all exercise riders in their employ are properly licensed by the commission.

(2) (a) A trainer at a Class A or B track must pay all required annual industrial insurance premiums for exercise riders equal to the maximum number of horses in training on any given day during the calendar year that the trainer has both on and off the grounds of a racing association.

(b) For horses on the grounds of a Class A or B track, a trainer must count stalls that are occupied by horses (including horses that are sick or injured) under the trainer's care. Premiums will be calculated on the total number of stalls allotted by the racing association, 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 as provided in WAC 260-36-230.) Stalls assigned to and occupied by pony horses will not be counted.

(c) 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.

(d) 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.

(e) 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.

(f) 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. Any time during the calendar year if 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.

(3)(a) A trainer at a Class C track must pay industrial insurance premiums for 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.

(b) 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.

(c) 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. Any time during the calendar year if 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.

AMENDATORY SECTION (Amending WSR 09-23-063, filed 11/13/09, effective 12/14/09)

**WAC 260-36-230 Short duration industrial insurance coverage.**

~~(1) ((Trainers entering horses to run in Washington races will be allowed to obtain short duration industrial insurance coverage that will reduce the trainer's base premium and the groom and/or assistant trainer slot(s). The reduced premiums for short duration coverage will not apply to the additional premiums required to cover exercise riders as provided in WAC 260-36-220. The following conditions will apply for short duration coverage:~~

~~(a) Trainers who ship in to Class A or B race meets may purchase short duration industrial insurance coverage for seven consecutive calendar days. The trainer must pay twenty percent of the trainer base premium, and twenty percent for each groom slot or assistant trainer slot obtained (all rounded to the next whole dollar). The base premium used for this calculation will be the industrial insurance premiums established for Class A or B race meets. A trainer may only purchase Class A or B race meet short duration coverage for three seven-day periods per calendar year.)~~  
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. The following conditions will apply for short duration coverage:

(a) Trainers who ship in to Class A or B race meets may purchase short duration industrial insurance coverage for thirty

consecutive calendar days. The cost of short duration coverage will be no more than:

(i) One-third of the trainer base premium;

(ii) One-third for each groom slot or assistant trainer slot obtained; and

(iii) One-third of the premiums for exercise riders for all horses on the grounds (all rounded to the next whole dollar). The premiums used for these calculations will be the industrial insurance premiums established for Class A or B race meets. Trainers may only purchase Class A or B race meet short duration coverage for two, thirty-day periods per calendar year. The trainer must pay the industrial insurance premium at the time of licensing. If a trainer extends coverage past the initial thirty-day period, the trainer must pay:

(A) One-third of the trainer base premium;

(B) One-third of all groom/assistant trainer slots; and

(C) One-third of the premium for exercise riders based on the maximum number of horses on the grounds prior to a consecutive extension of coverage. Prior to the end of each thirty-day coverage period a trainer must pay one-third of the premium for any additional groom/assistant trainer slots and one-third of the premium for exercise riders for any additional horses brought on the grounds.

(b) Trainers who ship in to Class C race meets may purchase short duration industrial insurance coverage for seven consecutive calendar days. The ((trainer must pay)) cost of such short duration coverage will be twenty percent of the trainer base premium, and twenty percent of each groom slot or assistant trainer slot obtained (all rounded to the next whole dollar). The base premium used for this calculation will be the industrial insurance premiums established for Class C race meets. 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.

(2) Before short duration coverage will be allowed, 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.