

Washington Horse Racing Commission
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2022 Annual Report

February 10, 2023

The Honorable Jay Inslee, Governor
State of Washington
P. O. Box 40002
Olympia, Washington 98504-0002

Dear Governor Inslee:

The Washington Horse Racing Commission (WHRC) is pleased to inform you that in accordance with the Washington Horse Racing Act, Chapter 67.16 RCW, the WHRC Annual Report for the 2022 racing season has been posted on our website, www.whrc.wa.gov.

The WHRC and its staff recognize that horse racing is an economic and recreational asset to the people of Washington. The racing and breeding industries are a valuable sector of the state's economy and agribusiness.

The mission of the WHRC is to regulate pari-mutuel horse racing and support the development of the equine industry. The goals of the WHRC are (1) foster a regulatory environment that promotes the economic benefits of the equine industry, and (2) ensure that the public has confidence in the integrity of pari-mutuel horse racing.

Data on the key agency performance measures is reported in the annual report, which includes:

1. In-state pari-mutuel wagering;
2. Number of live racing days, including the number of races, number of horse starts, and the average number of horses per race at Emerald Downs racetrack in Auburn;
3. Washington-bred owners' bonus and Washington-bred breeder awards distributed;
4. Advance deposit wagering and the source market fees derived; and
5. WHRC operating revenue.

The horse racing industry continued to face challenges in 2022 recovering from the COVID-19 pandemic. The overall pari-mutuel handle showed improvement back toward pre-pandemic levels, with the in-state pari-mutuel wagering increase due to increased live racing days. There was a notable shift in wagering being conducted through the Advance Deposit Wagering firms as customers as more customers were able to attend live racing. Non-profit racing in Eastern Washington was not conducted in 2022, it is anticipated they will return in 2023./

The Commissioners and staff appreciate your continued support of the WHRC and the horse racing industry and look forward to working with you to address the challenges that confront the industry while we work to strengthen its role and sustainability in our state.

Respectfully submitted,



Robert J. Lopez, Chair

Distribution of Pari-mutuel Wagers - Emerald Downs and Nonprofit Racetracks 2022 Race Year (September 27, 2021 thru September 18, 2022)			
Racetrack	Pari-mutuel Wagering	Returned To Public	Retention
Emerald Downs *	49,807,585.30	37,630,047.67	9,900,422.12
Sun Downs	No racing conducted		
Total	49,807,585.30	37,630,047.67	9,900,422.12

* For 2022 the total pari-mutuel wagering at Emerald Downs increased 25.8% from 2021. This increase is attributed to the increased ability to offer public attendance at the live race meet and at satellite facilities.

Number of Race Days, Races, Horses, and Average Horses per Race				
	Number Race Days	Number Of Races	Number Horses Starting	Average Per Race
Emerald Downs *	52	425	2725	6.41
Sun Downs	0	0	0	
Total	52	425	2725	6.41

* In 2021 the average number of horses starting at Emerald Downs was 6.48.

Advance Deposit Wagering - [RCW 67.16.260](#).

Advance Deposit Wagering (ADW) is a form of pari-mutuel wagering in which a Washington resident deposits money in an account with an entity authorized by the commission to conduct advance deposit wagering and then the account funds are used for wagers made in person, by telephone, or through communication by other electronic means. A portion of each wager, the "source market fee," made by a person whose principle residence is in Washington is returned to the class 1 racing association and the commission. The source market fee is distributed as purse monies, breeder awards, owners bonus, and operating accounts per [WAC 260-49-070](#). The ADW handle decreased 10.9% and source market fee decreased 3.6% from 2021. The decreases might be attributed to the some of customers returning to the track or satellite facilities.

Advance Deposit Wagers from Accounts held by Washington Residents 2022 Race Year (September 1, 2021 thru August 31, 2022)		
ADW Company	Wagers by Washington Residents	Source Market Fees Received
123 Gaming	245,236.90	19,618.95
NYRA Bets	2,929,852.90	190,440.48
TVG Network	71,628,615.50	4,412,898.26
Twin Spires	24,941,582.60	1,664,524.29
Watch and Wager	816,763.10	49,005.77
XpressBet, Inc.	18,230,591.26	1,044,718.72
Total	118,792,642.26	7,381,206.47

Nonprofit Racetracks' Purse Fund - [RCW 67.16.105](#)

In April 2011 the Legislature (ESSB 5747) amended RCW 67.16.105 to limit purses to the nonprofit racetracks (Class C race meets) to only the one tenth of one percent of the daily gross receipts of all in-state pari-mutuel machines. The legislation eliminated fines, source market fees, and interest on the WHRC operating account as a source of revenue to fund purses at the Class C race meets. In 2022 a total of \$50,292.98 was generated as provided in 67.16.105 for

purse monies. Due to the impact of the COVID-19 pandemic, no nonprofit meet has offered racing since 2019 and these funds will be made available in 2023.

Donohue Fund - [RCW 67.16.102\(2\)](#)

Interest derived from the Owner's Bonus Funds in 2021 are made available to the non-profit racetracks in that offered a live meet in 2022 for maintaining and upgrading their respective racing courses and equine quartering areas. Once again, with no live racing conducted since 2019 the funding generated in 2022 will be available in 2023, along with the funds which have not been distributed since the 2019 race season.

Donohue Fund Revenue Source	
Interest derived from the Washington-bred Owners' Bonus Funds	3,408.44

Donohue Fund Revenue Distribution	
No funds distributed in 2022	
Total	

Owners Bonus - [RCW 67.16.102\(1\)](#)

One percent of pari-mutuel wagering during live racing at Emerald Downs and its OTBs is paid at the end of the race year to all licensed owners whose Washington-bred horses place first, second, third, or fourth at Emerald Downs. Owner's bonuses also include 2.5 percent of the source market fee collected from ADW ([WAC 260-49-070](#)). The horse must be a registered Washington-bred to participate in the owner's bonus program. The owner's bonus increased 2.2% from 2021 with the increased number of live race days in 2022. These bonuses were distributed on November 21, 2022.

Washington-bred Owners' Bonus (Revenue Sources & Distribution) 2022 Race Year (September 27, 2021 thru September 18, 2022)	
1% of Total Wagering – Live Meet (Emerald Downs and OTBs)	225,629.86
Source market fee (Sept 1, 2021 thru Aug 31, 2022)	184,530.16
Total Distributed to Owners	410,160.02

Washington-bred Breeder's Award - [RCW 67.16.175](#)

One percent of exotic pari-mutuel wagering¹ during live racing at Emerald Downs and its OTBs is paid at the end of the race year to the breeder of record of Washington-bred horses that finish first, second and third. Breeder's awards also include 2.5 percent of the source market fees collected from ADW ([WAC 260-49-070](#)). The Washington Bred breeder's awards that was earned from the handle decreased .93% from 2021. Although the live meet handle increased, the decrease in Source Market Fees resulted in an overall decrease in breeders awards distributed. These awards were distributed on November 21, 2022.

Washington-bred Breeders' Awards (Revenue Sources and Distribution) 2022 Race Year (September 27, 2021 thru September 18, 2022)	
1% Exotic Wagering – Live Meet (Emerald Downs & OTBs)	26,225.31
Source market fee (Sept 1, 2021 thru Aug 31, 2022)	184,530.16
Total Distributed to Breeders	210,755.47

¹ Exotic wagering is all wagering other than win, place, and show wagering.

Participant Licensing

Every individual participating directly in horse racing is required to have a valid license issued by the WHRC. Listed below are the types of licenses and the number issued in 2022.

License Types	Number Issued
Apprentice Jockey	1
Assistant Trainer	16
Association Employee (Management)	15
Association Employee (Hourly)	142
Authorized Agent	39
Exercise Rider	106
Groom	207
Honorary License	18
Jockey	42
Jockey Agent	5
Owner	898
Pony Rider	86
Prospective Owner	12
Service Employee	34
Spouse Groom	8
Stable License	148
Trainer	100
Vendor	25
Veterinarian	6
Total	1,908

WHRC Operating Revenue

The WHRC operating account is comprised of revenue received from pari-mutuel tax, source market fees, license fees, fingerprint background fees, race track daily fees, fines, and interest derived on the operating account. The revenue sources listed below are based on the calendar year 2022 except the pari-mutuel tax received from Emerald Downs, and source market fees from advance deposit wagering, which are based on the race year of September 27, 2021 through September 18, 2022.

WHRC Operating Revenue Sources	
Licensing Fees	204,415.30
Fingerprint Background Fees	10,330.00
Daily Fee Emerald Downs (52 race days @ \$200 per day)	10,400.00
Daily Fee Nonprofit Tracks (6 race days at \$10 per day)	
Advanced deposit wagering license fees	7,000.00
Source market fee	478,657.76
Fines	9,550.00
Interest on the WHRC Operating Account	12,128.82
Pari-mutuel tax on track/OTB wagers	898,030.97
Total	1,630,512.85