

WHRC Commission Meeting

November 18, 2022

At Emerald Downs

Meeting called to order at 9:30 a.m.

Dr. Ragle was not present due to a prior commitment.

Item #1. Approval of the meeting minutes of October 14, 2022.

Dr. Macomber move to approve, Chairman Lopez 2<sup>nd</sup>- Motion carried.

Item #2. Commissioners' reports.

Nothing to report.

Item #3. Industry Reports.

a. Emerald Downs report.

Deferred to race day request.

b. WHBPA report.

Has met with management and discussed racing dates for 2023, purse structure has been discussed, stakes schedule is still being determined. Will run with the same purse schedule as 2022 with the about the same amount of money.

Working on legislation to help the industry. Changes to last years have been made to address issues that were troubling to legislators last session. The new legislation submitted to the code reviser's office hoping to hear back from them after Thanksgiving. Working on sponsors as well.

c. WTBOA report; and

Getting ready for the stallion auction is scheduled to be online from December 15 to December 23.

d. Sundown's report

Mr. Moore- Spoke with Nancy Sorick, they have a new manager of the fairgrounds, his stated intent is to tear out the paddock, jocks room, and some of the barns. This legislation is important so that there is some long-term future for the tracks in Eastern Washington.

Item #4. Emerald Downs 2023 Date Request (Action Item)

Phil Ziegler- Emerald Downs has applied for a 52-day race meet, same number of days as last year with a start on Kentucky Derby day which is a lot of fun and brings a large crowd. Closing day would be September 17.

Mr. Ziegler noted that Horseman may be disappointed in the number of days, and Emerald would love to run more days, but there is a need more purse money and more horses. If legislation were to pass there is a possibility of adding an additional 8 days. They did add one more calendar weekend.

The first day of training will be around March 1, but that is still to be determined based on the contract with the horsemen.

Dr. Dr. Macomber- Will there be enough training time for the horses before live racing? Phil said that yes, we will figure that out with the HPBA. Pat LePley indicated that for the first week or two, many of the horses coming from Arizona and California would be fit and ready to enter. Chairman Lopez, moved to approve, Dr. Macomber 2<sup>nd</sup>- Motion carries.

Item #5: ADW Firms Bonds (Action item)

Mr. Moore- At the September meeting we talked about increasing the ADW bonds or leave them alone. After gathering information, it varies with each state. (See email from Oregon state in packet) Staff recommends leaving bond requirements alone because they are protected under the Oregon bond requirements. Oregon is the wagering hub for the WHRC ADW firms and any additional bond requests from the WHRC is extra protection.

Item #6. Update on HISA (Informational Item)

The Washington assessment fee is \$637,503, with credits being given if the WHRC signs a voluntary enforcement agreement. Chair Lopez indicated that his inclination was to turn the entire program over to HISA/HIWU.

Chairman Lopez informed the attendees that we learned this morning that HISA has been ruled unconstitutional by the Court of Appeals, 5<sup>th</sup> Circuit. With that there is not much to discuss until there is more information regarding this.

A discussion was held regarding the QH racing mix that would not be subject to HISA and how that would look. The question arose on how HISA/HIWU would work if the WHRC declined to sign an agreement. The WHRC would need to reduce the revenue by approximately \$280,000 and return that to the industry to assist with the assessment fees. Chair Lopez reported that Ben Mosier stated in a meeting that HIWU's mandate is to take over the testing program in the future. If the commission signs an agreement, staff would be hired and paid by the WHRC, but would have no supervisory authority over those employees.

Pat LePley gave some insight on to what he felt would be the process for HISA's to appeal the 5<sup>th</sup> district court's decision. Mary Ann O'Connell reported the National HBPA is working on alternative legislation to replace HISA. She also reported that it appears that the number of tests processed will be less than the current amount. Mr. Moore reported that it appears that the WHRC will not get any results on any testing done. At this time no thresholds have been published. Mary Ann also said that thresholds may not be listed, but instead there will be screening limits set by the labs. Mr Moore was asked to fill him in on what was discussed today.

Item #7. Executive Secretary's Report.

- a. Wagering Recap (October 2022); and
- b. Monthly Financial Statement (September 2022).

Handle in October was down 11% from 2021, ADW handle was up 2%. The fund balance showed a reduction of \$40,000, mostly due to leave cash outs for seasonal employees. Staff expects losses in October as well before some gains beginning in November. Mr. Moore provided a follow-up to Dr. Dr. Macomber's question, from the October meeting if the owners/breeders awards could be subjected to Liens? DES indicated that they are tax deductible so their opinion would be that they would be subject to them.

Staff reported that the Owners/Breeders checks will hopefully be sent out Monday.

Item #8. Discussion items - Commissioners


Item #9. Any other business that may be properly brought before the Commission.

Mr. Moore- Planning on a special meeting on December 7<sup>th</sup>, to adopt the change in source market fee distribution, the Premier Turf Club ADW application, and a HISA update.

Jack Hodge asked if we could have a safety meeting set up to go Dr. Freidman's safety report and to discuss WADDL and necropsy. It was suggested that in addition to discussing the

necropsy report at the commission meeting to follow up with a safety committee meeting that could go into more detail on the necropsies.

Meeting adjourned at 10:16 a.m.

  
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Douglas L. Moore, Executive Secretary