



WHRC Commission Meeting

- Location:** Emerald Downs, 2300 Ron Crockett Drive, Auburn WA 98001, 5th Floor Tribal Council Room and Zoom Video Conference
- Date:** April 12, 2024
- Call to Order:** 9:30 am (PT)
- Adjourned:** 10:16 am (PT)
- Attendees:** Chair Robert Lopez, Commissioner Douglas Moore, Commissioner Dr. Claude Ragle (via Zoom), Representative Joe Schmick (via Zoom), Representative Chris Stearns (via Zoom), Senator Derek Stanford (via Zoom), WHRC Executive Secretary Amanda Benton, WHRC Deputy Secretary Ann-Kathrin Zemann, WHRC Confidential Secretary Melanie Bowdish

Agenda items

1. Approval of the Meeting Minutes of March 15, 2024

Commissioner Doug Moore moved to approve; Commissioner Dr. Ragle seconded. It was moved and seconded that the commission approved the meeting minutes of March 15, 2024. Motion carried.

2. Commissioners' Reports

Chair Robert Lopez had nothing to report.

Commissioner Doug Moore has been working with Executive Secretary Amanda Benton, Deputy Secretary Ann-Kathrin Zemann and AAG Suzanne Becker on the HISA agreement.

Commissioner Dr. Ragle had nothing to report.

3. ADW License Renewal – NYRA Bets

This was regarding an annual license renewal to conduct advance deposit wagering in the State of Washington, governed by WAC 260-49-090, for NYRA Bets, LLC. Their initial license was issued on July 11, 2016. The license term would be from July 15, 2024, through July 14, 2025. The process for this renewal started March 8, 2024, and the renewal application, as well as the \$1,000 license fee was received on March 25, 2024. Wagering and Source Market fee was up 29.1% from race year 2022; over the period of the last five years wagering and source market fee was up 125.5%. The average daily balance of Washington deposits for the calendar year 2023 was \$81,555.06. They have a \$25,000 financial guarantee bond issued by Atlantic Specialty Insurance Company. It is still in full force and effect and has been since June 28, 2016. It is continuous until cancelled. NYRA Bets, LLC. has a contract in place with Emerald Downs Racing, LLC. Said contract has been extended until December 31, 2025. There were no changes to officers and directors. There were some changes to their plan of operations. Their systems are now integrated with United Tote, instead of Amptote. They have updated their methods for depositing and withdrawing funds into and out of a NYRA Bets wagering account. They have developed a procedure to address odds manipulation and they will now pass on banking fees levied by payment processors to their end users. They have four different websites:

- Nyrabets.com
- Thoroughgraph.com
- Cesarsracebook.com
- Promo.horseracing.betmgm.com

There are no pending investigations by any governmental agency.

Melanie Frank and Matthew Feig, representing NYRA Bets, LLC, were on the Zoom call to answer any questions.

Commissioner Dr. Ragle made the motion to approve NYRA Bets' license renewal. Commissioner Moore seconded. It was moved and seconded to approve the license renewal of NYRA Bets, LLC. Motion carried.

4. Industry Reports

a) Emerald Downs

Phil Ziegler referred to the race day packet, which was a later agenda point.

b) Washington Horsemen's Benevolent and Protective Association

WHBPA President Pat LePley gave the industry report for the WHBPA. Notable to point out was the agreement with the Jockeys' guild regarding the Jockey fees for the upcoming 2024 racing season at Emerald Downs (see agenda point 8 for details). LePley also emphasized the help of Senator Stanford in the legislation. Moreover, the WHBPA will hold their annual meeting on Friday, April 19 at noon. Interesting agenda points are conversations and discussion about HISA. Phil Ziegler, President of Emerald Downs, will attend the meeting as well and talk about the economy of Emerald Downs.

c) Washington Thoroughbred Breeders and Owners Association

Nothing to report.

5. HISA/HIWU Voluntary Agreement

Commissioner Doug Moore, AAG Suzanne Becker, Executive Secretary Amanda Benton and Deputy Secretary Ann-Kathrin Zemmann have been working with representatives from both HISA and HIWU on an agreement for the 2024 live race meet. The changes to this year's agreement will include the WHRC resuming test barn operations. Also included in the contract is language regarding the amounts of the 2024 HISA assessment fees along with the state testing credits. This includes race day testing, as well as out-of-competition testing.

Washington State has been assessed a \$713,240.00 by HISA for 2024. Negotiations with HISA regarding the credits back to the industry for the WHRC operating the test barn include an increase from the original amount offered for race day sample collection from \$221,000 to \$260,000; \$34,000 for non-race day out of competition testing. The total amount that the WHRC would pay to HISA, with the credits offered, would be \$459,340.00.

This contract has been approved by AAG Suzanne Becker and John Roach from HIWU.

Commissioner Moore moved to approve for Executive Secretary Amanda Benton to sign the contract with HISA/HIWU. Commissioner Dr. Ragle seconded the motion. It was moved and seconded to authorize Executive Secretary Amanda Benton to sign the agreement with HISA/HIWU for the 2024 racing season. Motion carried.

6. Emerald Downs Race Day Packet

The Emerald Downs 2024 live race meet packet included information on the association, race dates, wagering, satellite information, racetrack equipment, track management and racing officials, simulcast information and the purse schedule. Also included in the packet was a live race meet calendar for 2024, satellite location list and signed letters from the WHBPA regarding the sale and purchase of simulcasting and the Emerald Downs stakes and purse schedule.

There was 100% positive feedback regarding the introduction of penny breakage at Emerald Downs, according to Emerald Downs' President Phil Ziegler. Kentucky is the only other state that operates on penny breakage. It was introduced in Kentucky in 2022.

7. WHRC Officials – Emerald Downs

The WHRC will have the same staff as last racing season. The WHRC currently has two vacant positions that will be filled soon: Receiving Barn Clerk and an on-call Racing Official 1.

8. 2024 Jockey Fee Scale

The 2024 Jockey Fee Scale will be effective May 4th, 2024. It has been agreed upon and signed by the Washington HBPA and the Jockeys' Guild. According to WAC 260-32-180 the Commission must approve Jockey fees prior to the upcoming racing season. Present were Pat LePley, President for the WHBPA and Darrell Haire for the Jockeys' Guild. Haire thanked the members of the board of the WHBPA, Blaine Wright and Pat LePley in particular, for coming to an agreement regarding the fair increase of jockeys' fees at Emerald Downs for the upcoming 2024 racing season.

LePley reported that it would be around \$15-\$20 of an increase per mount. There is no change for horses that run first. The historical percentage has always been 10%, so LePley.

Chair Robert Lopez entertained a motion to approve the 2024 Jockey Fee schedule, affective May 4th, 2024; Commissioner Dr. Ragle made a motion to approve, Commissioner Moore seconded. It was moved and seconded that the commission approved the 2024 Jockey Fee schedule. Motion carried.

9. Executive Secretary's Report

a. Wagering Recap (March 2024); and

The total amount wagered in March was \$3,757,298.60. There was an increase of \$291,896.70 or 8.1% in the total wagers from last year. The amount distributed to the WHRC operating account increased over \$22,000.00 due to the increase parimutuel tax from 1.3% last year to 1.803% this year. For the current fiscal year, which started July 1, 2023, the amount of parimutuel tax going into the WHRC operating account has decreased over \$109,000.00 from the prior fiscal year, a difference of 20.5%. This was due to a significant decrease in the total wager in this current fiscal year. The ADW for February was nearly identical to the prior year, with \$8,271,927.01 wagered this year. The total source market fee was down 0.7% from the prior year, which is a decrease of \$3,881,14. The WHRC is currently not taking any of the source market fee. The total amount of source market fee not collected \$436,729.37.

b. Monthly Financial Statement (February 2024)

The revenue came in as \$73,940.00, which was \$29,460.00 less than budgeted. Expenses were \$79,121.00, which was \$10,859 more than budgeted. The operating loss for February was \$5,180.00. The fund balance at the end of February was \$1,313,273. The projected fund balance for the end of the biennium is now \$497,123. This does not include the money was approved in the budget.

10. Discussion Items – Commissioners

Commissioner Dr. Ragle inquired about the parking situation for trucks on Emerald Downs' premises. In the past, there were reported incidents of horses getting spooked by people maintaining their trucks, i.e., changing tires, loud machinery that is being used, etc. The issue got resolved.

Chair Robert Lopez talked about the possibility to increase ADW license fees for high wagering ADW firms.

Commissioner Moore had a conversation with the industry about the WHRC license fees. The reason why the WHRC has annual fees and duration for license stems from the Department of Labor and Industries. L&I wants to make sure that people are covered, and their information stays as current as much as possible in case of an incident, where a person gets injured and/or needs medical assistance.

11. Any other business that may be properly brought before the Commission

Executive Director Amanda Benton inquired about the approval for travel to the Summer ARCI Meeting in Saratoga Springs, NY on August 12, 2024.

Chair Robert Lopez made a motion that the commission approves travel for Commissioner Doug Moore and Executive Secretary Amanda Benton to the ARCI model rules and board meeting, as well as attending the Racing and Gaming Conference in Saratoga; moreover, the commission also approve Chair Lopez and Commissioner Dr. Ragle to attend the ARCI meeting via Zoom.

Commissioner Dr. Ragle seconded the motion. It was moved and seconded that the commission approved travel for Commissioner Doug Moore and Executive Secretary Amanda Benton to the ARCI model rules and board meeting, as well as attending the Racing and Gaming Conference in Saratoga, NY, as well as attendance via Zoom for Chair Robert Lopez and Commissioner Dr. Ragle. Motion carried.

Chair Robert Lopez also made a motion to approve travel to the upcoming WHBPA meeting on Friday, April 19, 2024, at Emerald Downs for any commissioner who wants to attend. Commissioner Doug Moore seconded the motion. It was moved and seconded that the commission approved travel and attendance to the WHBPA general meeting, via Zoom or in person. Motion carried.

There will be no WHRC meeting in May of 2024.

The next meeting of the Washington Horse Racing Commission will be held on June 14, 2024, at 9:30 am at Emerald Downs and via Zoom.



Amanda Benton, Executive Secretary