

Washington Horse Racing Commission
Special Meeting Minutes
Wednesday, December 7, 2022, 9:30 a.m.
Held Via Zoom

Item #1. Adoption hearing - WAC 260-49-070 Distribution of Source Market Fees (Action Item)

Staff recommended the proposal to amend the SMF distribution to the previous percentages before the impact of COVID in 2020 which, based on the yearly handle in the State was increased from 1.3% to 1.805% percent required by statute. In 2020 the in-State handle fell below the \$50,000,000 threshold due to COVID, which triggered the change in pari-mutuel tax. In 2022 the handle will be over the threshold resulting in the reduction of the pari-mutuel tax to pre-covid level. In order to maintain sufficient revenue for the commission's operation, the adjustment is needed.

Chairman Lopez moved to approve, Dr. Ragle 2nd- Motion carries.

Dr. Ragle asked how long it has been since there has been an adjustment to the source market fee other than the recent change due to COVID. Mr. Moore reported that the SMF distribution had been consistent since the original WAC was approved.

Item #2. Initial ADW license application – Premier Turf Club (Action Item)

Staff presented the initial license application for Premier Turf Club LLC. All requirements in WAC 260-49 for receiving a ADW license had been met. Todd Bowker with Premier Turf Club present and gave an overview of their operation and history. Dr. Macomber moved to approve, Dr. Ragle 2nd- Motion carries.

Item #3. HISA fee assessment (Action Item)

After consideration, the WHRC was asked to formally decline to collect the assessment fees for HISA. There is concern that the commission does not have the statutory authority in the State of Washington to either collect or submit the assessment fees.

Dr. Macomber moved to approve, Chairman Lopez 2nd- Motion carries.

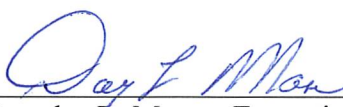
Item #4. Update on HISA, general discussion (Informational Item)

Currently, there is no proposal to sign the voluntary agreement with HISA/HIWU to enforce their rules and collect samples. With the decision by the U.S. 5th district court declaring HISA unconstitutional, and the pending decision by the U.S. 6th district court. Staff recommended to not spend any staff time or resources or consider any agreements until the matter goes through the courts.

Mr. Moore reported that the HIWU director, Ben Mosier was scheduled to appear and answer questions at the ARCI Board of Directors and at the last minute had other obligations and could not attend. There are reports the Senator McConnell is attempting to submit legislation into either the omnibus budget bill or possibly a Department of Defense bill, which is a similar tact used to pass the original legislation, to address the 5th District Courts concerns.

At the ARCI meeting the Board of Directors approved to draft a letter to be submitted to the FTC encouraging them to not act on any more rules until this has been resolved.

Meeting adjourned at 10:01 am.



Douglas L. Moore, Executive Secretary

The next regular meeting of the Commission will be held on January 13, 2023, at 9:30 a.m. at Emerald Downs and via Zoom