



# WHRC Commission Meeting

- Location:** Emerald Downs, 2300 Ron Crockett Drive, Auburn WA 98001, 5<sup>th</sup> Floor Tribal Council Room and Zoom Video Conference
- Date:** February 9, 2024
- Call to Order:** 9:34 am (PT)
- Adjourned:** 10:47 am (PT)
- Attendees:** Chair Robert Lopez, Commissioner Douglas Moore, Commissioner Dr. Claude Ragle (via Zoom), WHRC Executive Secretary Amanda Benton, Deputy Secretary Ann-Kathrin Zemann, Confidential Secretary Melanie Bowdish (via Zoom)

## Agenda items

### 1. Approval of the Meeting Minutes of January 19, 2024

Commissioner Doug Moore moved to approve; Chair Robert Lopez seconded. It was moved and seconded that the commission approved the meeting minutes of January 19, 2024. Motion carried.

### 2. Commissioners' Reports

Chair Robert Lopez was intending to attend the ARCI Meeting in Ohio in March but will not attend in person.

Commissioner Doug Moore has been working with the stakeholders on the legislation. He also met with Executive Secretary Amanda Benton and AAG Suzanne Becker to prepare for negotiations with HISA and HIWU. Commissioner Moore also went in front of the senate committee for his confirmation hearing as a commissioner.

Commissioner Dr. Ragle had nothing to report.

### **3. Industry Reports**

#### **a) Emerald Downs**

Phil Ziegler gave the industry report for Emerald Downs. Emerald Downs is working on pre-season tasks. They are also getting the barn area ready for horses to move in starting February 23, 2024. Racing Secretary Bret Anderson is going to Turf Paradise, AZ to try and recruit trainers to come to Emerald Downs for the upcoming season. Simulcasting is down, due to cancellations from winter weather. Washington will also be the second state in the country that offers penny breakage to bettors.

#### **b) WHBPA**

WHBPA Executive Director MaryAnn O'Connell gave the industry report for the WHBPA.

The WHBPA is working with the management of Emerald Downs Racing, LLC. on the purse schedule for the upcoming season at Emerald Downs. The WHBPA recently had a board meeting. The main emphasis on that board meeting was creating a budget for the WHBPA, since the penny breakage will also affect the WHBPA.

#### **c) WTBOA**

Nothing to report.

### **4. ADW License Renewal – Lien Games Racing, LLC**

This is regarding an application to renew Lien Games, LLC license to conduct advanced deposit wagering in the State of Washington. Their initial license was issued on November 13, 2017. This license expired November 15, 2017, and was not renewed until March 14, 2023. The renewal process started on January 24, 2024. The license would be valid starting March 14, 2024, through March 13, 2025. For the race year 2023, which was from September 1, 2022, to August 31, 2023, there was \$47,934.40 wagered and \$3,115.74 was returned to Washington as Source Market Fee. There were no changes to officers and directors. Mr. Kevin Hall is the President; Ms Kathy Mawicke is the Secretary/Treasurer. The WHRC received the \$1000 license renewal fee on February 2, 2024. The average daily account balance is \$556.89. A \$25,000 irrevocable commercial letter of credit remains in full force and effect with Starion Bank. The contract with Emerald Downs, LLC. is valid through December 31, 2025. There are no material changes to the Lien Games Racing Plan of Operations. Lien Games Racing, LLC operates four websites:

- Offtrackbetting.com
- Rushbetandwin.com
- Creativewagering.com
- Playup.com

There were no complaints received against Lien Games Racing LLC and they have no pending complaints with governmental agencies filed in the past year. The WHRC staff recommends renewing Lien Games LLC's advance deposit wagering license.

Chair Robert Lopez entertained a motion to approve the advance deposit wagering license renewal for Lien Games Racing LLC. Commissioner Dr. Ragle moved to approve; Commissioner Moore seconded. It was moved and seconded that the WHRC approves the advanced deposit wagering license for Lien Games Racing LLC.

#### **5. Shoreline OTB Application – Grand Casino Inc.**

OTB Application for Grand Casino Inc, owned by Leonard Libin. Bob Fraser, Director of Operations at Emerald Downs Racing LLC, reported that Grand Casino Inc, had a change of person operated the facility. The Shoreline location is an important OTB site.

Chair Robert Lopez entertained a motion to approve the OTB license for Grand Casino Inc. Commissioner Moore moved to approve, Commissioner Dr. Ragle seconded. It was moved and seconded that the WHRC approves the OTB license for Grand Casino, Inc. Motion carried.

#### **6. Year-end Report – Equine Medical Director**

WHRC Equine Medical Director Dr. Ron Friedman gave his Year-end Report.

The report can be found here:

[https://www.whrc.wa.gov/uploads/1/1/2/0/112048803/2023\\_equine\\_health\\_and\\_safety\\_annual\\_report\\_to\\_whrc\\_\\_003\\_.pdf](https://www.whrc.wa.gov/uploads/1/1/2/0/112048803/2023_equine_health_and_safety_annual_report_to_whrc__003_.pdf)

#### **7. Category 1 Disqualifications vs. Category 2 Disqualifications Discussion**

Currently, the WHRC is operating under the Category 2 Disqualification Rule WAC 260-52-040, which states the following:

(4) A horse may not interfere with another horse and thereby cause the other horse to lose ground or position, or cause the other horse to break stride. When this interference occurs in the part of the race where the other horse loses the opportunity to place where it might reasonably be expected to finish, the stewards may disqualify the interfering horse.

Oklahoma currently has Category 1 Disqualifications, which states under Code 325:60-1-20:

The Stewards shall determine if a Horse or its Jockey has caused an interference and finished in front of the Horse it interfered with, and, if not for the interference, the Horse would have finished behind the Horse it interfered with, the interfering Horse shall be placed immediately behind the Horse with which it interfered. If the interference is a result of Dangerous Riding, the Stewards shall place the interfering Horse in last place.

The stewards in Oklahoma are positive about the change and there are less disqualifications. The ARCI is asking jurisdictions if they are planning on staying with Category 2 disqualifications or moving to Category 1 disqualification.

#### **8. Distribution of Donahue Fund**

RCW 67.16.101 requires that the interest derived from the Washington-bred Owners Bonus account be distributed to the non-profit race meets in the State for maintenance and upgrades to those facilities. The last year the interest was distributed was 2019, due to the pandemic and the cancellation of the 2023 Sun Downs race meet. Interest earned in the account has accumulated in 2019, 2020, 2021, 2022 and 2023. In 2023 the interest earned was \$8,837.45. The total is

\$19,919.74. There are no non-profit race meets scheduled for 2024, so the interest will not be distributed.

The commission will deal with the distribution of the Donahue Fund at a later point in time.

## **9. Approval Annual Year-end Report**

Commissioner Dr. Ragle moved to approve the annual WHRC year-end report, Commissioner Moore seconded. It has been moved and seconded that the commission approves the annual year-end report for the WHRC. Motion carried. The report will be sent to Governor Inslee.

## **10. 2022 & 2023 Owners and Breeders Bonus Awards**

The 2022 & 2023 Owners and Breeders Bonus Awards have been affected by late HISA/HIWU violation results, after they were already paid out to the recipients of the bonuses. A significant amount for a horse that was a winner, but is now disqualified after HISA made their decision, will have to be paid back. All the other amounts ranging from \$0.26 to \$100 will be rolled over into the 2024 Owners and Breeders Bonus Awards.

## **11. Executive Secretary's Report**

### **a. HISA/HIWU Agreement Update**

The draft of the contract between HISA/HIWU and the WHRC would cover both, the Anti-Doping and Medication program, as well as the Racetrack Safety Program. The WHRC has a meeting with the AAG Suzanne Becker the following Monday.

### **b. Wagering Recap (January 2024); and**

There was a significant decline in the total wagers, with handle dropping over 52% from last year, a difference of \$1,334,097.60. Executive Secretary Amanda Benton's assumption for the change could be the significant weather change in Southern California, with resulting race cancellations.

The advanced deposit wagering in December was up slightly, an increase of 3.9%. The amount of Source Market Fee not collected was \$53,635.63 for December. This brings the total amount of Source Market Fee not collected to \$336,832.70.

The combined October and November revenue was \$15,000.00 less than expected and expenses were \$21,000.00 more than expected.

The fund balance at the end of November was \$1,383,874.00 with a projected balance throughout the biennium now sits at \$578,054.

### **c. Monthly Financial Statement (December 2023)**

The revenue came in as \$41,236.00, which was about \$7,000 less than expected. Expenses were \$66,919.00, which was \$16,000 less than budgeted. The operating loss for December was \$25,683.00. The fund balance for December was \$1,358,191. The projected fund balance for the end of the biennium is now \$581,664.

## 12. Travel – February Breeders Awards Banquet

The WTBOA is hosting their annual Awards Banquet on February 24, 2024. Commissioner Moore moved to approve that all commissioners are approved to attend the WTBOA Awards Banquet at Emerald Downs. Commissioner Dr. Ragle seconded. It was moved and approved that all commissioners are allowed to attend the WTBOA Awards Banquet on February 24, 2024. Motion carried.

## 13. Discussion Items – Commissioners

Nothing to report.

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

The WHRC office at Emerald Downs will be open starting February 23, 2023. The WHRC office will be open Wednesday through Saturday in March.

The next meeting of the Washington Horse Racing Commission will be held on March 15, 2024, at 9:30 am at Emerald Downs and via Zoom.



Amanda Benton, Executive Secretary