

**HB**

**29**

FISCAL NOTE

REQUEST:

Revision Date: 12-26-89  
Title: Parimutuel wagering/Alaska  
Racing Commission  
Sponsor: Representative Larson  
Requestor: Senate Judiciary

Agency Affected: Public Safety  
BRU: DPS Statewide Support  
Component: AK Criminal Records & ID

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under Section 2, Public Safety will run criminal history records checks on a small number of individuals. Processing time will involve substantial delays since there are over 13,000 unprocessed fingerprint cards presently backlogged. The small number added by this legislation will not significantly increase the backlog.

Prepared by: M.J. Clemens, Assistant Director  
Division: Administrative Services

Phone: 465-4336  
Date: 12/26/89

Approved by Commissioner: Arthur English  
Agency: Department of Public Safety

Date: 2-14-90  
Page 1 of 1

*(Handwritten initials)*  
1/3/90

FISCAL NOTE

REQUEST:

Revision Date: 12-26-89 Agency Affected: Public Safety  
 Title: Alaska Racing Commission/ BRU: DPS Statewide Support  
offtrack betting  
 Sponsor: Senate C&RA Component: AK Criminal Records & ID  
 Requestor: Senate Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under Section 2, Public Safety will run criminal history records checks on a small number of individuals. Processing time will involve substantial delays since there are over 13,000 unprocessed fingerprint cards presently backlogged. The small number added by this legislation will not significantly increase the backlog.

Prepared by: M.J. Clemens, Assistant Director  
 Division: Administrative Services

Phone: 465-4336  
 Date: 12/26/89

Approved by Commissioner: Arthur English  
 Agency: Department of Public Safety

Date: 2-14-90  
 Page 1 of 1

*MJC*  
11/3/90

FURTHER

JUD  
FIN

4/14/89

DATE TURNED INTO OFFICE 5/5/89

Mr. President:

L&C Committee considered CSHB 29 (L&C) am

establishing the Alaska Racing Commission and authorizing parimutuel  
wagering at sanctioned events; efd

and recommended

- replace with S CS CSHB 29 (L+C) am )  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN

new DC+ED 5/6/89  updated  previous

same as previous fiscal note(s) published 2/3/89

Dept of Law 1/18/89  
Dept of Public Safety 1/18/89

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Patricia Rydley do not pass*  
*Jan. Fish do not pass.*  
*J. H. [unclear] Do Not Pass*  
*[unclear] No Rec.*

Chairman signature and recommendation

Committee Backup attached

HB 29

The Community and Regional Affairs Committee considered CS  
FOR HOUSE BILL NO. 29 (L&C) am (An Act establishing the  
Alaska Racing Commission and authorizing parimutuel wagering  
at sanctioned events; and providing for an effective date).  
Senator Adams, Chair, signed "do not pass." Senators  
Pourchot, Frank and Pearce signed "no recommendation."  
Senator Szymanski signed "do pass."

Previous House zero and fiscal notes.

CS FOR HOUSE BILL NO. 29 (L&C) am was referred to the Labor  
and Commerce Committee.

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT

B005-LAST PAGE

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 29 (L&C)  
PUBLISH DATE: HOUSE 2/3/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
Title: "An Act establishing the Alaska Racing Commission..." BRU: Alaska State Troopers  
Sponsor: Representative Larson Component: \_\_\_\_\_  
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

Prepared by: Gavle A. Horetski, Deputy Commissioner  
Division: Office of the Commissioner

Phone: 465-4322  
Date: 1/18/89

Approved by Commissioner: A.A. English  
Agency: Department of Public Safety

Date: 1-19-89

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSHR 29 (I.&C)  
PUBLISH DATE: HOUSE 2/3/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act establishing the Alaska  
Racing Commission . . ."  
Sponsor: Representative Larson  
Requestor: House Labor & Commerce

Agency Affected: Department of Law  
BRU: Legal Services  
Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	75.0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	75.0	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	75.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

*Richard I. Pegues*  
Prepared by: Richard I. Pegues, Director  
Division: Administrative Services,  
*Richard I. Pegues*  
Approved by Commissioner: Grace Berg Schauble, Atty General  
Agency: Department of Law

Phone: 465-3672  
Date: January 18, 1989  
Date: January 18, 1989

Distribution (by preparer) :  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

No. 2  
CSHB 29 (L&C)  
HOUSE 2/3/89

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: An Act establishing the Alaska BRU: Alaska Racing Commission  
Racing Commission & authorizing parimutuel wagering  
Sponsor: Representative Larson Components: \_\_\_\_\_  
Requester: Senate Labor & Commerce

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES			50.6	101.1	150.7	150.7
TRAVEL			7.6	9.2	9.8	9.8
CONTRACTUAL			17.9	35.4	40.4	40.4
SUPPLIES			2.5	2.5	3.0	3.0
EQUIPMENT			11.4			
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	90.0	148.2	203.9	203.9

CAPITAL						
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REVENUE	0	0	68.4	261.4	522.8	522.8
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FUNDING: (Thousands of dollars)

GENERAL FUND			90.	148.2	203.9	203.9
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	90.0	148.2	203.9	203.9

POSITIONS:

FULL-TIME	0	0	2	2	2	2
PART-TIME			0	0	2	2
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The effective date of this legislation is July 1, 1990; therefore, no costs would be incurred until FY 91. See attached analysis. As the commission will set licensing and permit fees by regulation, it is not possible at this time to estimate revenues generated by those fees. The fees will be established at

Prepared by: Linda Wild, Special Assistant Phone: 465-2500  
Division: Commissioner's Office Date: 4/25/89

Approved by Commissioner: Larry Mercurief, Commissioner Phone: 465-2500  
Agency: Dept. of Commerce & Economic Development Date: 4/25/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**ANALYSIS:** (continued)

a level sufficient to cover cost of regulation of the events. Once the commission has adopted regulations and fees have been established, the commission will request program receipt authority to cover the cost of regulation.

**FY 91 EXPENDITURE DETAIL**

**PERSONAL SERVICES**

Executive Director, Range 24A, 6 months	\$36,700
Clerk-Typist III, Range 8A, 6 months	<u>13,867</u>
<b>SUB-TOTAL:</b>	<b>\$50,567</b>

**TRAVEL**

Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.	4,194
Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)	2,120
1 Event (8 days; 2 Anch. mem.)	1,280
<b>SUB-TOTAL:</b>	<b>\$ 7,594</b>

**CONTRACTUAL**

Once race meets are authorized, contractual funds will be used for audits, inspections, clockers, veterinarians, judges, hearing officer, etc.	\$ 7,500
Postage, Communications, Printing, Advertising, etc.	\$ 5,000
Office Space rent	<u>5,400</u>
<b>SUB-TOTAL:</b>	<b>\$17,900</b>

<b>SUPPLIES</b>	<b>\$ 2,500</b>
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**EQUIPMENT (one time costs only)**

Desk, double pedestal, 70" x 36"	\$ 705	
Chair, swivel with arm	653	
Typewriter, IBM Selectric III	1,201	
Chair, side without arms	187	
Desk Calculator	138	
File Cabinet, 5-drawer, legal w/lock	402	
Table, 72" x 36"	325	
Wang terminal	2,100	
	\$5,711 x 2	\$11,422

<b>FY 91 TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$90,000</b>
----------------------------------------------	-----------------

mm0588t

**FY 91 REVENUE DETAIL**

- One six day event:

18,000 players (estimate based on 3,000  
per day for six days)

Handle of \$504.0 in total receipts based  
on an average wager of \$28 (Montana's average)

A takeout of 35%, with a State share of  
10%, equals state revenues of \$50.4 per event. \$50,400

- \$1.00 per person gate fee equals \$18,000 in  
State Revenues (\$1.00 times 18,000 players) 18,000

**FY 91 ESTIMATED TOTAL REVENUE \$68,400**

**FY 92 EXPENDITURE DETAIL**

**PERSONAL SERVICES**

Executive Director, PX, Range 24A, 12 months \$ 73,400  
Clerk-Typist III, PX, Range 8A, 12 months 27,736

**SUB-TOTAL: \$101,136**

**TRAVEL**

Four Commission meetings in Anchorage area \$ 5,600  
2 - Events (8 days; 2 Anch area Commissioners @ \$1280 ea.) 2,560  
Director's travel 1,000

**SUB-TOTAL: \$ 9,160**

**CONTRACTUAL**

Postage, Communications, Printing, Advertising, etc. \$ 5,000  
Office Space rent 5,400  
Contractual costs to provide services of an auditor  
and investigator, inspections, hearing officer, etc. 25,000

**SUB-TOTAL: \$ 35,400**

**SUPPLIES \$ 2,500**

**FY 92 TOTAL GENERAL FUND EXPENDITURES: \$158,196**

**FY 92 REVENUE DETAIL:**

- Two (2) six day events

34,400 players per event (estimate based  
on approximately 5,700 players per day  
during each six day event)

Handle of \$963.2 in total receipts at each  
six-day event based on an average wager of  
\$28 (Montana's average)

A takeout of 35%, with State share at 10%,  
generates State Revenues of \$96.3 per event,  
or \$192.6 for the two events.

\$192,600

- \$1.00 per person for the two events equals  
\$68.6 in revenue (\$1.00 times 68,800 people  
equals \$68.8)

68,800

**FY 92 ESTIMATED REVENUE TOTAL: \$261,400**

**FY 93 EXPENDITURE DETAIL**

**PERSONAL SERVICES**

Executive Director, PX, Range 24A, 12 months	\$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months	27,736
Race Stewards, Range 18A, 2 @ 6 months each	<u>49,575</u>

**SUB-TOTAL:** \$150,711

**TRAVEL**

Four Commission meetings in Anchorage area	\$ 5,600
4 - Events (8 days; by 3 members from Anchorage area and one from Fairbanks)	3,184
(2 Anch. mbrs.: \$80 x 8 x 2 = 1280)	
(1 Anch. mbr: \$80 x 8 x 2 = \$1,280 +	
1 Fbx. mbr: \$232 + \$80 x 9 (extra day)	
x 2 = 1,904)	
Director's travel	<u>1,000</u>

**SUB-TOTAL:** \$ 9,784

**CONTRACTUAL**

Audits, investigations, inspectors, hearing officer, etc.	\$ 30,000
Postage, Communications, Printing, Advertising, etc.	5,000
Office Space rent	<u>5,400</u>

**SUB-TOTAL:** \$ 40,400

**SUPPLIES** \$ 3,000

**FY 93 TOTAL GENERAL FUND EXPENDITURES:** \$203,895

**FY 93 REVENUE DETAIL:**

- Four (4) six day events	
- 34,400 players per event (estimate)	
- Handle of \$963.2 in total receipts per event based on average wager of \$28 (Montana's average)	
- A takeout of 35%, with State share of 10% of the revenues generated, equals State Revenues of \$96.3 per event, or \$385.2 for the four estimated events.	\$385,200
- \$1.00 per person per event generates \$137.6 in revenue (\$1.00 times 34,400 times four events)	<u>137,600</u>
<b>FY 93 Estimated Revenue</b>	<b>\$522,800</b>

Edward S. Solomon  
P.O. Box 190688  
Anchorage, Alaska 99519  
phone..... (907) 562-6938  
FAX..... (907) 562-6428  
November 21, 1989

Honorable Jan Falks  
Senator  
Alaska State Legislature  
Post Office Box V  
Juneau, Alaska 99811

Re: HB29

Dear Sen. Falks:

I am opposed to the proposal to allow racetrack gambling in Alaska. Supporters of HB29 very cleverly dressed up this form of gambling and gave it the innocuous sounding name of "parimutuel wagering", but a cesspool by any other name is still a cesspool.

The expendable income of Alaskans and visitors who lose money at the track will go down the rat hole. Tourists will have no money for an excursion to the bush, or a fly-in fishing trip. There will be Alaskans who will become compulsive gamblers, losing money originally intended for their children's education, followed by burdening their debt with a second mortgage on their homes. Money Alaskans earn is typically spent through a "multiplier effect", whereby those dollars buy goods and services from other Alaskans. Money lost at a racetrack has no multiplier effect, as it goes down a rat hole. Please note that any money "won" by a patron at a racetrack is promptly lost when he or she bets on the next race.

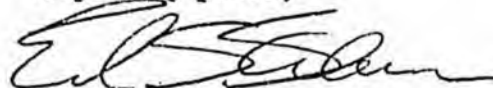
While supporters of this bill point to potential tax revenues and new jobs created by the racetracks, how many "stablehands" will the State of Alaska have to employ to salvage the lives destroyed by compulsive gambling? How much money will the State of Alaska have to spend in the form of "public assistance"? Who will pay for the added police officers, jail cells, courtroom facilities, and other services that the state will have to provide when the racetracks bring the crime associated with their industry?

Even if you could absolutely guarantee that organized crime would not control the racetracks, it is well known that the Mafia controls many "support" businesses and labor unions associated with the racing industry.

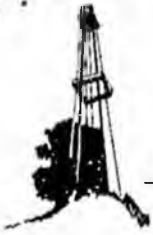
The lions share of a racetrack's "take" is from local compulsive gamblers, not from tourists or from a \$2 bettor. Mafia loan sharks will be running to Alaska to further ensnare Alaskans who have become compulsive gamblers. The loan sharks will take over additional legitimate businesses when the gambler cannot pay, forcing Alaskans who are employed by those firms to work for the Mob.

Please do not bring these Outside problems to Alaska.

Very truly yours,



Edward S. Solomon



*The Mapmakers*

259 South Alaska Street • Palmer, Alaska 99645 • (907) 745-3398

November 22, 1989

Senator Jan Faiks  
6060 Yukon Drive  
Anchorage AK 99516

LOCAL OPTION FOR PARIMUTUEL WAGERING - HB 29

Dear Senator:

Due to the weather, I had to miss yesterday's teleconference on the above issue. Please accept my written statement in support of this bill instead.

The bill has received strong support from the business community in the Mat-Su Valley. Resolutions by the Palmer Chamber of Commerce to support the local option were passed. During an advisory-type vote a couple of years ago, voters were in favor of the issue by about 58 percent - a majority that is difficult to achieve in any election.

During 1988/89 year, the Alaska State Chamber of Commerce added the Local Option for Parimutuel Wagering to their list of legislative priorities, showing strong support by business leaders around the state.

To make this issue a moral one is hardly appropriate. The question is, are local municipalities to be given the freedom to give their electorate the choice of voting on an issue that is of concern to them. The debate concerning morality is premature. First, give the residents of a community the choice decide to vote an issues they find important.

Sincerely,

Brigitte "Britt" Lively

# Alaska State Legislature



Rep. Ronald L. Larson  
CO-CHAIRMAN  
(907) 485-3727

INTERIM ADDRESS  
P.O. Box 53  
Palmer, Alaska 99645  
(907) 745-3826

Rep. Lyman Hoffman  
CO-CHAIRMAN  
(907) 465-3708

INTERIM ADDRESS  
P.O. Box 886  
Bethel, Alaska 99559  
(907) 543-3541

RECEIVED

House of Representatives FEB 5 1990

Committee on Finance  
P.O. Box V  
Juneau, Alaska 99811

JAN FAIKS  
SENATE OFFICE

## MEMORANDUM

February 2, 1990

TO: Senator Jan Faiks, Chairman  
Senate Judiciary Committee

FROM: Representative Ronald Larson, Co-chairman  
House Finance Committee

SUBJECT: HB 29, an Act establishing the Alaska Racing Commission

As agreed at the November 21 Senate Judiciary Committee in Anchorage, I am reporting to you on statements from law officials from Outside states regarding parimutuel wagering. I will be happy to make these statements available to the Committee at the next scheduled hearing of HB 29.

Enclosed you will find copies of these letters.

Again, I want to emphasize my willingness to work with you, the Judiciary Committee, and anyone with any concerns about the provisions of this bill. I have appreciated the time you have afforded me both with the Committee and with your friends.

Please feel free to get in touch if you have any questions or comments.

*Whatcom County*

Courthouse,

Bellingham, Washington 98225



LARRY MOUNT, SHERIFF

Phone 676-6650  
Phone 384-5360

January 25, 1990

The Honorable Ronald Larson  
Representative, Alaska State Legislature  
P.O. Box 53  
Palmer, Alaska 99645

Dear Sir:

The question of horse racing and its impact on law enforcement on the community is an easy question to answer. For Whatcom County it has had very little impact. We do have some traffic congestion at times, but the facility has adequate parking for its operation.

As for peoples conduct we have only had a few problems in this area. Those were mainly people who were intoxicated. I feel the main reason for so few problems is Longacres race people have hired a uniform deputy to be on location during all open business hours. Being a small physical location, the deputy may pass thru all areas easily and have good crowd control.

The State Racing Commission has its separate enforcement group and supervises the betting and jockey conduct. The commission itself set its regulations governing the racing operation.

As taverns and other entertainment establishments work, the race tracks also have their informal program to bar known trouble makers. They network this information across the state to each track operation.

I have been to the Seattle facility and talked with the leaders of the law enforcement agencies in that area and they report very small workloads because of the horse racing program in their area.

The Washington Association of Sheriffs and Police Chiefs have strongly opposed the increase in legalized gambling in our state. We continue to see organized crime operations trying to get involved in our bingo and casino fund raisers for charitable organizations, especially in the Native American operations. But the horse racing industry has not appeared to have this type of intrusion.

I hope this has addressed some of the questions you have. If I can be of any further assistance please do not hesitate to call on me.

Respectfully yours,

LARRY E. MOUNT, Sheriff  
Whatcom County

LEM/nh



CITY OF  
San Bernardino

POLICE DEPARTMENT  
DANIEL A. ROBBINS  
CHIEF OF POLICE

December 21, 1989

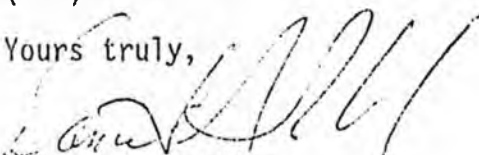
Bruce Matthias, Director  
Simulcast Development L.A. Turf Club  
285 W. Huntington Drive  
Arcadia, CA 92006

Dear Mr. Matthias:

Reference the National Orange Show's off-track horse racing, I would like to make comment. The facility has not had an increase in calls for service nor have I seen a measurable rise in the crime rate for that area. I am also not aware of any organized crime that might be utilizing and/or controlling the operations. We enjoy a very good relationship with the Orange Show and see it as a real plus for our community.

Should you have any questions concerning my comments, please reach me at (714) 384-5607.

Yours truly,

  
Daniel A. Robbins  
Chief of Police

cgr

cc: Esther Armstrong, N.O.S.

RECEIVED

JAN 5 1990

MARKETING

The Police Commission welcomes information sharing and public input.  
The Commission meets on the second Monday of each Month at 7:30 p.m.

POST OFFICE BOX 1559, SAN BERNARDINO,  
CALIFORNIA 92401-1559 714/383-5011





POLICE DEPARTMENT

CITY OF *Indio* CALIFORNIA

46-800 JACKSON STREET • PHONE (619) 347-8522 • INDI0, CALIFORNIA 92201

JERRY N. GRAVES  
CHIEF OF POLICE

W. PHILLIP HAWES  
CITY MANAGER

December 19, 1989

Mr. Bruce Matthias  
Director of Simulcast Operations  
C/O Santa Anita  
285 W. Huntington Drive  
Arcadia, CA 91007-3439

Dear Mr. Matthias:

Mr. Bob Latzo, Facility Manager of the Shalimar Sports Center in Indio, has asked me to discuss any possible crime-related problems or issues associated with this operation. The Sports Center is located on the grounds of the Riverside County National Fairgrounds, located at 46-350 Arabia Street, Indio.

This facility opened on May 18, 1988, and has been operational since that time. Our Department initially believed that there may be minor increases in traffic accidents, intoxicated persons/drivers or disturbances occasioned by persons drawn to the Center. This belief was inaccurate and our records reflect very few and relatively minor incidents on the grounds. We have found the grounds managers and security personnel have consistently proven themselves as tremendous professionals. They are able to decipher potential problems and promptly resolve issues in an orderly manner without requiring our local police services.

We continue to enjoy a great working relationship with fairgrounds personnel and it certainly appears that the Sports Center has added a safe adult recreational dimension to our City. Please call me at (619) 347-8522 if I may provide you any further information or assistance.

Cordially,

JERRY N. GRAVES  
CHIEF OF POLICE

JNG/gm

cc: Mr. Bob Latzo, Facility Manager  
Shalimar Sports Center

RECEIVED  
DEC 23 1989  
MARKETING

1989 OPERATORS

OL89-0001  
 JOSEPH NYQUIST  
 PULL-TAB CITY  
 1255 AIRPORT WAY  
 FAIRBANKS AK 99701

OL89-0003  
 JAY H HURISON JR  
 BINGO SAMS  
 2504 EIDE STREET #17  
 ANCHORAGE AK 99503

OL89-0005  
 ROBERT D THOMAS  
 LOTTERY ALASKA  
 430 C STREET SUITE 202  
 ANCHORAGE AK 99503

OL89-0007  
 SUE GRIFFIN  
 CAFRA/NORTHER LIGHTS BINGO  
 3707 WOODLAND DRIVE  
 ANCHORAGE AK 99517

OL89-0009  
 STEVE COOPER  
 RIPPIE TOWN  
 BOX 90493  
 ANCHORAGE AK 99508

OL89-0011  
 KENNETH A DOLE  
 KING OF KINGS SALMON TOURNEY  
 BOX 6440  
 KETCHIKAN AK 99901

OL90-0013  
 H. GREGORY OCZEKUS  
 BONANZA BINGO  
 PO BOX 203147  
 ANCHORAGE, AK 99520

OL89-0002  
 JOHN BLOMFIELD  
 FUND RAISING CONCEPTS  
 1525 N STREET  
 ANCHORAGE AK 99501

OL89-0004  
 EDWARD A DILLEY  
 THE POP SHOPPE  
 1705 CARR STREET  
 FAIRBANKS AK 99709

OL89-0006  
 PETER D KRAEHER  
 NORTH STAR BINGO  
 6510 LAKEWAY DRIVE  
 ANCHORAGE AK 99502

OL89-0008  
 DWIGHT A HUBBIDE  
 ALASKA INDOOR SPORTS  
 215 PLAZA PORT WEST  
 KETCHIKAN AK 99901

OL89-0010  
 LILLIAN (RUTH) SHANNON  
 EMERALD ISLE PULL-TABS  
 972 FARMERS LOOP ROAD  
 FAIRBANKS AK 99712

OL89-0012  
 SHIZUE RUEBEL  
 TAKE A CHANCE  
 1833 BRIDGEWATER DRIVE  
 FAIRBANKS AK 99709

OL90-0014  
 JAMES M. HARMAN  
 RIPPIE WORLD  
 PO BOX 232091  
 ANCHORAGE, AK 99523

OPERATOR/wpdocs  
 01/24/90



CHURCH PHONE (907) 745-3522

RES. PHONE (907) 745-4392

# UNITED PROTESTANT CHURCH

HENRY P. (MOTTE) PASTOR

BOX 699

PALMER, ALASKA 99645

March 20, 1989

Senator Al Adams  
Box V  
Juneau, Alaska 99811

Dear Senator,

You get many letters asking your support for various causes and this letter is no different. Economics more than theology is my major concern in this letter. My comments are my own and not necessarily those of the congregation.

The Alaska State Fair and the Palmer Chamber of Commerce are campaigning for a bill that will legalize parimutuel betting in Alaska. The fair does it because there will be increased profit. The chamber does it feeling that this will help the ailing business community in the valley.

There is no popular movement in the valley crying out for parimutuel. The borough residents recently voted to establish a law to forbid nude dancing in the bars. That was a surprise to me.

My original home was Omaha, Nebraska where there is a large race track open much of the summer. For those related to the track there is added profit. Business as a whole suffers during the racing season. Businessmen complain of reduced sales and unpaid bills. They contend that money that would go to them goes to the track instead.

During the racing season the police have added activity dealing with the compulsive gamblers, increased property theft, and added child neglect. Parimutuel at Palmer would affect the entire Anchorage area.

The sagging economics of the valley and area would be helped more by the jobs created by the Wishbone Mine and Hatcher Pass ski area. The increase sales of hay to the horses would not be a big help to the valley. Horse racing will hurt people and business. Please consider **letting parimutuel die in committee.**

The familiar reason "gambling is here already so legalize it" is poor logic. To carry this forward we would need to legalize cocaine, bank robbery, and rape as it is already here.

My second issue concerns the food stamp program and the AFDC money. Everyday I deal with people in a large food bank operation at the church. At least once a week I give food to a new resident of the state who tells me, "we moved to Alaska because there is better welfare here than our home state." One single parent gave that reason for flying here with her five children from Florida.

Is there some way to help those who are in need without feeding the greed of those who want to be permanently supported by welfare? Raising benefits will attract more professional welfare receivers. Increasing the staff at the Public

assistance offices would allow more time to sort out the needy from the greedy. Greater benefits could go to those truly in need while eliminating so much of the fraud. (selling food stamps, working and receiving welfare by using two different names, etc.) I have only praise for the fine people at the Wasilla Public Assistance Office.

My thanks go to those who in previous session enacted some tort reform.

I'm a 17 year resident of Palmer and prior to that spent part of 9 years in Fairbanks. I'm on the board of the Palmer Chamber and a regular volunteer at the state fair. The chamber and fair people are good people who don't understand all the issues of parimutuel. No one, including me, understands all the welfare issues.

I want to thank you, and/or your staff member for taking time to read this.

Sincerely,



Henry P. Guinotte

File with 17B SL

CITY OF PALMER, ALASKA

ORDINANCE NO. 321

AN ORDINANCE CREATING A NEW CHAPTER 3.32 OF TITLE 3 OF THE PALMER MUNICIPAL CODE ENTITLED PARI-MUTUEL WAGERING ON CERTAIN HORSE RACES.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be of a permanent nature and shall become a part of the City of Palmer Code of Ordinances.

Section 2. Severability. If any provisions of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Chapter 3.32-Pari-Mutuel Wagering of Title 3 of the Palmer Municipal Code is hereby created as follows:

3.32.010 General. Pari-mutuel betting on horse racing may be permitted under this chapter to the extent not prohibited by Alaska State Statutes.

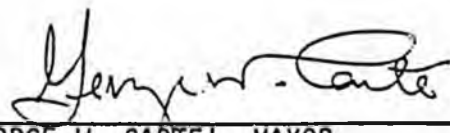
3.32.020 Sales Tax Applicability. A two (2) percent sales tax shall be charged on all gate admissions, concessions and gross monies deposited in the pari-mutuel system, to the extent not prohibited by Alaska State Statutes.

Section 4. Publication and Effective Date. This ordinance shall become effective immediately upon its adoption and publication shall be by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its adoption, and it shall be published by being printed and included in the Palmer Municipal Code at its next regular supplementation and printing. A notice of public hearing shall be given by such posting at least five (5) days before final passage.

First Reading: August 1, 1985

Public Hearing &  
Second Reading: August 13, 1985

Adopted by the City Council of the City of Palmer, Alaska, this 13th day of August, 1985.

  
\_\_\_\_\_  
GEORGE W. CARTE, MAYOR

\_\_\_\_\_  
DAVID L. SOULAK, CITY CLERK



## CITY OF WASILLA

P.O. BOX 870430  
WASILLA, ALASKA 99687  
PHONE: 376-5227

Requested by: Mayor Bumpus  
Prepared by: Mayor's Office

### RESOLUTION NO. W85-J-6

A RESOLUTION OF THE CITY OF WASILLA SUPPORTING LOCAL OPTION FOR PARI-MUTUEL GAMBLING.

WHEREAS, the State of Alaska no longer has the funds to support local Capital Improvements that accomodates current growth patterns; and

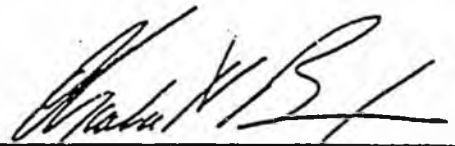
WHEREAS, it is the City of Wasilla's goal to become financially independent, if possible; and

WHEREAS, Pari-Mutuel Gambling would enhance economic development and provide a major tax revenue source for the City of Wasilla;

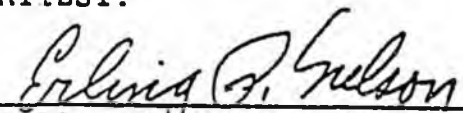
NOW, THEREFORE BE IT RESOLVED that the City of Wasilla supports local option for pari-mutuel gambling.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 12th day of August, 1985.

APPROVED:

  
\_\_\_\_\_  
Charles H. Bumpus, Mayor

ATTEST:

  
\_\_\_\_\_  
Erling P. Nelson, City Clerk, CMC

(SEAL)

Presented by: Silvers  
Introduced: 03/03/87  
Drafted by: G.L.S.

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 87-032

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING  
HOUSE BILL 32 AND SENATE BILL 63.

WHEREAS, the Alaska State Legislature has pending before it House Bill 32 and Senate Bill 63 that would authorize state controlled parimutuel betting on horse and dog racing where approved at a local option election, and

WHEREAS, the voters in the cities of Palmer and Wasilla have previously approved in an advisory vote the conduct of certain parimutuel wagering within their boundaries, and

WHEREAS, parimutuel wagering would create a direct source of revenue for the state and thereby reduce the need for new or increased state taxes, and

WHEREAS, authorization of parimutuel wagering would make possible a new, non-polluting industry in Alaska, and

WHEREAS, horse and dog racing in the borough would create a demand for feed, pasture and other agricultural products and services related to animal husbandry that are readily available in the borough, and

WHEREAS, horse and dog racing in the borough would be a tourist attraction for Alaska, bringing visitors from other states as well as other areas of Alaska, and

WHEREAS, horse and dog racing in the borough would generate additional use of the Alaska Railroad, and

WHEREAS, construction and operation of a race track and associated facilities and concessions in the borough would provide new employment opportunity for Alaskans;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH:

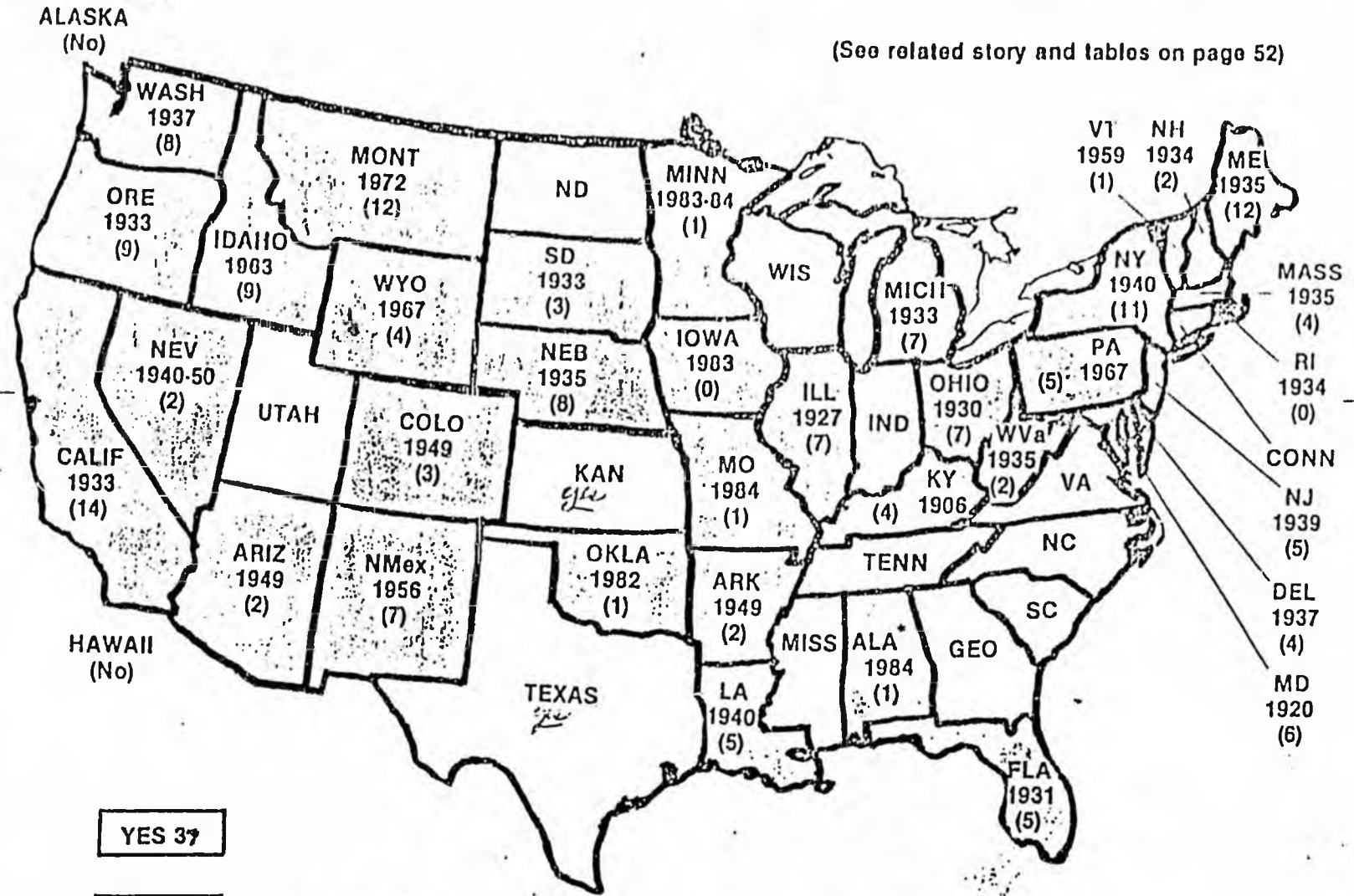
1. That the Assembly supports the concept of state controlled parimutuel wagering on horse and dog racing when locally approved and as generally set out in House Bill 32 and Senate Bill 63 and strongly urges the legislature to adopt legislation authorizing parimutuel wagering on such racing.

# Performance horse

## *racing*

## Parimutuel wagering: A look at where it's at

(See related story and tables on page 52)



YES 37

NO 13

( ) number of licensed parimutuel horse tracks including fairs

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 28, 1989

SUBJECT: Sectional analysis of CSHB 29(L&C)  
TO: Representative Ron Larson  
FROM: Terri Lauterbach *TL*  
Legislative Counsel

The following is a sectional analysis of CSHB 29(L&C).

Please note that a section-by-section analysis or summary of a bill should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1. Section 1 of the bill provides for the creation of a commission to regulate racing and parimutuel wagering.

ARTICLE 1. ALASKA RACING COMMISSION.

Sec. 05.40.010 establishes the Alaska Racing Commission in the Department of Revenue. The commission is composed of five members appointed by the governor. One member of the commission shall have experience in the regulation, supervision, or conduct of parimutuel wagering or horse racing, one member shall have experience in law enforcement, one member shall have experience in bookkeeping or accounting, and two members shall be public members. Members of the commission must be residents of the state. A person may not be appointed to the commission if that person has been convicted of a felony or gambling offense. A person may not serve as a member of the commission until a background check is completed by the Department of Public Safety. The commission members elect the chairman. Three members of the commission constitute a quorum.

Sec. 05.40.020 sets the term of appointment to the commission at four years.

Sec. 05.40.030 establishes procedures for removal of a member from the commission.

*Sectional Analysis*

Sec 05.40.040 provides that members of the commission receive no salary but do receive per diem and travel expenses authorized for boards and commissions when the members are serving on the board.

Sec. 05.40.050 sets out the duties and powers of the commission. The commission shall adopt regulations concerning licenses and special permits for persons subject to the jurisdiction of the commission, appointment of officials to monitor races, distribution of the parimutuel pool, veterinary standards for races, the equipment used for parimutuel wagering, auditing procedures, and other matters related to horse racing and parimutuel wagering. The commission shall also regulate races, inspect race tracks and racing animals, establish racing dates and durations, sanction racing at specific locations, set fees, make an annual report to the commissioner of revenue and the legislature by February 15 of each year, keep detailed records of race meets and all collections and disbursements, and supervise parimutuel pools.

The commission may hire staff, compel witnesses to appear before the commission, compel production of documents of race meet operators, appoint hearing officers, and impose, by regulation an admission surcharge for races meets without regard to whether the race track charges admission.

Sec. 05.50.060 provides that commission employees are in the partially exempt service.

Sec. 05.40.070 provides that the Attorney General will enforce the regulations of the commission.

Sec. 05.40.080 provides that the records of the commission are public.

Sec. 05.40.090 provides that money received by the commission shall be paid into the state's general fund.

## ARTICLE 2. RACE MEETS.

Sec 05.40.100 requires that a person conducting a race meet be licensed by the commission. A race meet operator's license is valid for three years unless revoked or suspended. The race meet operator has the exclusive right to operate or contract for the operation of concessions at the site

of the race meet. A person convicted of a felony or a gambling offense may not receive a license to conduct a race meet.

Sec. 05.04.110 provides that a person may not participate in a race meet as an animal owner, trainer, jockey, driver, attendant, groom, stable hand, veterinarian, employee of the race meet operator, concessionaire, or concession employee without receiving a special permit issued by the commission. A special permit is valid for one year unless revoked or suspended.

Sec. 05.40.120 prohibits the commission from sanctioning a race within a municipality unless the voters of the municipality have approved a referendum authorizing parimutuel wagering on horse races within the municipality and the municipality, after holding a public hearing, approves issuance or renewal of the license.

Sec. 05.40.130 provides that the parimutuel pool shall be distributed 65 percent to the holders of winning tickets, 15 percent to the race meet operator, 10 percent as purse money, and 10 percent to the commission. The amount of the pool distributed to holders of winning tickets shall be at least 65 percent and may be increased by the commission if the commission finds that it is necessary to promote efficient and successful race meets. The commission may adjust the distribution of the remaining 35 percent of the pool among purse money, the race meet operator, and the commission as necessary.

Sec. 05.40.140 provides that the race meet operator shall report to the commission within 30 days after each race on the distribution of the parimutuel pool. The race meet operator shall report to the commission on the operation and proceeds of concessions at the site of the race meet within 30 days after the end of the race meet.

Sec. 05.40.150 provides that the commission may appoint persons, including members of the commission, to serve as observers of race meets. An observer shall be present at the site of a race meet on the day before, the day after, and during the race meet.

### ARTICLE 3. GENERAL PROVISIONS.

Sec 05.40.900 provides that the commission is subject to the Administrative Procedure Act.

Sec. 05.40.910 provides that members of the commission are subject to the prohibitions against conflict of interest.

Sec. 05.40.950 establishes prohibited acts and penalties. It is a class A misdemeanor to

- 1) violate a regulation of the commission if no effect on the outcome of a race licensed by the commission was intended;
- 2) record, report, register, or place a wager on a horse race except as provided under the authority of the commission;
- 3) permit a person under 21 years of age to place a wager.

A class A misdemeanor is punishable by imprisonment of not more than one year or a fine of not more than \$5,000 or both.

It is a class C felony to violate a provision of AS 05.40 or a regulation of the commission with the intent to affect the outcome of a race. A class C felony is punishable by imprisonment of not more than five years or a fine of not more than \$50,000, or both.

Sec. 05.40.990 establishes definitions for "breakage", "commission", "harness race", "horse race", "parimutuel", "race meet", "race meet operator", and "special permit".

Sec. 2. Section 2 of the bill amends AS 18.65.080 by providing that the Department of Safety shall investigate whether a person appointed to the commission, a person employed by the commission, a race official, a race meet operator, or a person required to obtain a special permit has been charged with a felony or a gambling offense.

Sec. 3. Section 3 of the bill amends AS 39.25.120(c) to include commission employees in the partially exempt service.

Sec. 4. Section 4 of the bill amends AS 39.50.200(b) to include the Alaska Racing Commission within the definition of "state commission or board" so that members of the commission are subject to prohibitions against conflict of interest.

Representative Ron Larson  
Page 5  
February 28, 1989

Sec. 5. Section 5 of the bill amends AS 44.62.330(a) so that the Alaska Racing Commission is subject to the procedures applicable to administrative adjudication under AS 44.62.330 - 44.62.630.

Sec. 6. Section 6 of the bill imposes a duty on the governor to appoint the initial members of the commission within 120 days after the effective date of this Act.

Sec. 7. Section 7 of the bill gives the bill an effective date of July 1, 1990.

TL:kb  
WKK2/072

QUESTIONS ABOUT PARIMUTUEL WAGERING AND HB 29

1. What is parimutuel wagering?

Parimutuel wagering is a system of betting dating back to the mid 1800's. Differing from typical gambling by virtue of the fact that the odds are not arbitrary, parimutuel wagering occurs when all collective bettors pool their money together. The total amount wagered versus the individual bets determines the amount which is divided among the winners

2. Has there been any local support shown for parimutuel wagering?

Both the cities of Palmer and Wasilla placed an advisory proposition on the ballot of the October 7, 1986 election concerning parimutuel wagering on certain horse events. (see attachments)

The result in Palmer was 58.2% in favor of the concept of the concept of local option parimutuel horse racing. In addition, the Palmer Municipal Code (Chapter 3.32) addresses parimutuel wagering by virtue of city ordinance #321. The city of Wasilla showed 62% of the voters approved the concept, with the City Council adopting resolution W85-J-6 supporting local option for parimutuel wagering.

In addition to local municipalities, the Matanuska-Susitna Borough has passed a resolution of support for state controlled, local option parimutuel wagering.

3. What type of benefits will parimutuel racing provide?

The most obvious benefit, initially, would be the generation of the racing business itself by the private sector. Infrastructure, such as breeding, training, and racing facilities, will create employment for the construction industry. Additionally, racing events will create a destination and accompanying services for the tourism trade. These are not to mention possible increases in the racing profession itself, with added jockeys, trainers, breeders, and handlers.

Clearly, an obvious benefit would be the added state revenue after the racing commences. The income will come painlessly to the state, without burdening the taxpayer. The amount of revenue depends on the frequency of the events authorized by the commission.

4. Is parimutuel wagering legal elsewhere?

Currently 37 states allow parimutuel wagering for either horses, dogs, or both.

Provided by Rep Larson

5. What is the development scenario for parimutuel racing?

After the necessary local endorsement by the voters, preparation time could be six months to several years, depending on the level of development. A racing season in Alaska would be for approximately ten (10) weeks. As participation increases, so would the growth.

Parimutuel professionals tell us that an average scenario would typically include eight races a day, with eight entries per field.

The most important thing about this type of racing is the controlled conditions which will guarantee the integrity of the race. Sophisticated racing equipment would be rented - this being the normal procedure in other places where racing is on a similiary small scale. HB 29 also requires extensive review procedures for both Commission members and sanctioned events.

6. How have other states benefited from parimutuel wagering?

Other states have benefited by revenue to the general fund, tourism potential, animal care, facility construction, and real estate purchase. For example, the state of Washington collected over \$2.3 million in 1986 from license and registration fees.

Some states allow constitutional dedicated funds, benefiting specific groups such as school systems, rehabilitation, and capital improvement projects.

7. What are the fiscal implications for HB 29?

Our fiscal expectation is relatively small, based on the assumption that racing is only a 10 week season. The commission will provide the initial professional expertise, with possibly one or two staff persons to assist part-time in the preparation of regulations, public hearings, and paperwork. Depending on the development of races and facilities, the employment requirements would follow the same growth curve.

8. What is the role of the Racing Commission?

The Commission will regulate racing and parimutuel wagering. Their wide range of regulatory responsibilities are clearly outlined in HB 29. Included are their specific enforcement powers regarding prohibited acts and penalties.

The Commission shall adopt regulations; appoint officials; supervise and distribute the pool; ascertain standards for veterinaries, equipment, audits, and other related matters; license races; inspect racetracks and account for all records, collections and disbursements; hire staff; compel witnesses; and appoint hearing officers.

9. How is parimutuel wagering different from games of chance and contests of skill?

Oversight and regulation is much greater for parimutuel. The complexities of the wagering system and accompanying safeguards were built into it purposefully.

HB 29 legislates parimutuel guidelines to strongly prevent abuse. The regulatory nature of the Commission, coupled with required sophisticated equipment, enhances the parimutuel system, and ensures security for the establishment and participators.

10. What is a "typical participant" in parimutuel wagering?

Studies have shown that participants are generally white collar workers, with one or more years of higher education and an income of \$35,000 or more. Managers, administrators, business leaders, educators, or politicians are common participants in parimutuel events.

11. How would this system affect those who do not participate?

By choice, it would not. First, it would require a local decision to allow parimutuel wagering within a municipality. Sec. 05.40.120 of HB 29 requires a majority approval of a referendum authorizing parimutuel racing within a municipality. A public hearing is also required before the issuance or renewal of a license.

Secondly, it is an individual choice to partake in wagering. Persons under the age of 21 are prohibited to participate in parimutuel wagering.

12. Who would be the monetary beneficiaries?

The licensee makes money by taking 15% of the pool. This figure is set high at the beginning so as to allow for a quicker return on the private investment.

The state, which establishes the Commission, takes a percentage equal to 10% of the pool. In addition, the state is the recipient of all licensing revenue, and can collect up to \$1.00 of the admission ticket.

The entrants would receive 10% of the pool in the form of purse money.

The participants who have the winning tickets share the remaining 65% of the pool.

POSITION PAPER

CSHB 29 (L&C) am: "An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering at sanctioned events; e.d."

CSHB 29 (L&C) am establishes the Alaska Racing Commission within the Department of Commerce and Economic Development. The commission consists of five members appointed by the governor, including two public members.

The commission is charged with adopting regulations concerning licenses and permits for parimutuel wagering, appointment of race officials, distribution of the parimutuel pool, veterinary standards, auditing procedures, and other matters relating to parimutuel wagering. The commission is to regulate and supervise all horse races, inspect and approve race tracks and race horses, establish racing dates and durations, and supervise the making and distribution of parimutuel pools. Race meets may be conducted only within a municipality.

The commission is to make an annual report to the Legislature by February 15 of each year.

The bill sets out qualifications for those applying for a race meet operator's license. A race meet operator's license is valid for three years. The bill stipulates that no person may participate in a race meet as an owner of an animal, trainer, jockey, driver, attendant, groom, stable person, veterinarian, employee of a race meet operator, concessionaire, or concession employee without a special permit. A special permit is valid for one year.

The commission may not sanction a race meet within a municipality unless a majority of the voters in the municipality has approved a referendum authorizing parimutuel wagering on horse races and providing for municipal licensing of race meets within a municipality. A municipality must, after a public hearing, approve issuance or renewal of the municipal license for the race meet.

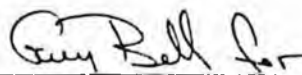
CSHB 29 (L&C) am provides that the parimutuel pool shall be distributed in the following manner: 65% to the holders of winning tickets; 15% to the race meet operator conducting the race meet; 10% as purse money; and 10% to the commission (Sec. 05.40.130 (a)).

The department recommends that a new subsection be added to this section to provide the department with program receipt authority to avoid any problem of dedication of funds, and to allow the department to use program receipts to fund the cost of regulation of parimutuel wagering. The standard program receipt language would read:

Sec. 05.40.130(d). Money received by the commission under this chapter shall be deposited in the general fund. The commissioner of administration shall separately account for the money deposited in the general fund under this section. The annual estimated balance in the account may be used by the legislature to make appropriations to the department to carry out enforcement of this chapter.

CSHB 29 (L&C) am takes effect July 1, 1990.

The department believes that, if the Legislature chooses to authorize parimutuel wagering or any other type of gambling activity, the administration and regulation of the activity would best be handled through a commission such as that outlined in this bill.



Larry Mercurieff, Commissioner

Date: 4-26-89

0520V