

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 295
FINAL READING

Introduced by Dw. Pedersen, 39

Read first time January 5, 2001

Committee: General Affairs

A BILL

1 FOR AN ACT relating to horseracing; to amend section 2-1203,
2 Reissue Revised Statutes of Nebraska; to adopt the
3 Interstate Compact on Licensure of Participants in Horse
4 Racing with Pari-Mutuel Wagering; to terminate a fund; to
5 provide for the distribution of funds; and to repeal the
6 original section.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. The Interstate Compact on Licensure of
2 Participants in Horse Racing with Pari-Mutuel Wagering is hereby
3 enacted into law and entered into with all other jurisdictions
4 legally joining therein, in the form substantially as follows:

5 ARTICLE I. PURPOSES

6 Section 1. Purposes.

7 The purposes of this compact are to:

8 1. Establish uniform requirements among the party states
9 for the licensing of participants in live horse racing with
10 pari-mutuel wagering, and ensure that all such participants who are
11 licensed pursuant to this compact meet a uniform minimum standard
12 of honesty and integrity.

13 2. Facilitate the growth of the horse racing industry in
14 each party state and nationwide by simplifying the process for
15 licensing participants in live racing, and reduce the duplicative
16 and costly process of separate licensing by the regulatory agency
17 in each state that conducts live horse racing with pari-mutuel
18 wagering.

19 3. Authorize the Nebraska State Racing Commission to
20 participate in this compact.

21 4. Provide for participation in this compact by
22 officials of the party states, and permit those officials, through
23 the compact committee established by this compact, to enter into
24 contracts with governmental agencies and nongovernmental persons to
25 carry out the purposes of this compact.

26 5. Establish the compact committee created by this
27 compact as an interstate governmental entity duly authorized to
28 request and receive criminal history record information from the

1 Federal Bureau of Investigation and other state and local law
2 enforcement agencies.

3 ARTICLE II. DEFINITIONS

4 Section 2. Definitions.

5 "Compact committee" means the organization of officials
6 from the party states that is authorized and empowered by this
7 compact to carry out the purposes of this compact.

8 "Official" means the appointed, elected, designated or
9 otherwise duly selected member of a racing commission or the
10 equivalent thereof in a party state who represents that party state
11 as a member of the compact committee.

12 "Participants in live racing" means participants in live
13 horse racing with pari-mutuel wagering in the party states.

14 "Party state" means each state that has enacted this
15 compact.

16 "State" means each of the several states of the United
17 States, the District of Columbia, the Commonwealth of Puerto Rico
18 and each territory or possession of the United States.

19 ARTICLE III. ENTRY INTO FORCE, ELIGIBLE PARTIES AND WITHDRAWAL

20 Section 3. Entry into force.

21 This compact shall come into force when enacted by any
22 four (4) states. Thereafter, this compact shall become effective
23 as to any other state upon both (i) that state's enactment of this
24 compact and (ii) the affirmative vote of a majority of the
25 officials on the compact committee as provided in Section 8.

26 Section 4. States eligible to join compact.

27 Any state that has adopted or authorized horse racing
28 with pari-mutuel wagering shall be eligible to become party to this

1 compact.

2 Section 5. Withdrawal from compact and impact thereof on
3 force and effect of compact.

4 Any party state may withdraw from this compact by
5 enacting a statute repealing this compact, but no such withdrawal
6 shall become effective until the head of the executive branch of
7 the withdrawing state has given notice in writing of such
8 withdrawal to the head of the executive branch of all other party
9 states. If as a result of withdrawals participation in this
10 compact decreases to less than three (3) party states, this compact
11 no longer shall be in force and effect unless and until there are
12 at least three (3) or more party states again participating in this
13 compact.

14 ARTICLE IV. COMPACT COMMITTEE

15 Section 6. Compact committee established.

16 There is hereby created an interstate governmental entity
17 to be known as the "compact committee," which shall be comprised of
18 one (1) official from the racing commission or its equivalent in
19 each party state. The Nebraska State Racing Commission shall
20 designate one of its members to represent the State of Nebraska as
21 the compact committee official. A compact committee official shall
22 be appointed, serve and be subject to removal in accordance with
23 the laws of the party state he represents. Pursuant to the laws of
24 his party state, each official shall have the assistance of his
25 state's racing commission or the equivalent thereof in considering
26 issues related to licensing of participants in live racing and in
27 fulfilling his responsibilities as the representative from his
28 state to the compact committee. If an official representing the

1 State of Nebraska is unable to perform any duty in connection with
2 the powers and duties of the compact committee, the Nebraska State
3 Racing Commission shall designate another of its members or its
4 executive secretary as an alternate who shall serve and represent
5 the State of Nebraska as its official on the compact committee
6 until the commission determines that the original representative
7 official is able once again to perform the duties as that party
8 state's representative official on the compact committee. The
9 designation of an alternate shall be communicated by the Nebraska
10 State Racing Commission to the compact committee as the committee's
11 bylaws may provide.

12 Section 7. Powers and duties of compact committee.

13 In order to carry out the purposes of this compact, the
14 compact committee is hereby granted the power and duty to:

15 1. Determine which categories of participants in live
16 racing, including but not limited to owners, trainers, jockeys,
17 grooms, mutuel clerks, racing officials, veterinarians, and
18 farriers, should be licensed by the committee, and establish the
19 requirements for the initial licensure of applicants in each such
20 category, the term of the license for each category, and the
21 requirements for renewal of licenses in each category. Provided,
22 however, that with regard to requests for criminal history record
23 information on each applicant for a license, and with regard to the
24 effect of a criminal record on the issuance or renewal of a
25 license, the compact committee shall determine for each category of
26 participants in live racing which licensure requirements for that
27 category are, in its judgment, the most restrictive licensure
28 requirements of any party state for that category and shall adopt

1 licensure requirements for that category that are, in its judgment,
2 comparable to those most restrictive requirements.

3 2. Investigate applicants for a license from the compact
4 committee and, as permitted by federal and state law, gather
5 information on such applicants, including criminal history record
6 information from the Federal Bureau of Investigation and relevant
7 state and local law enforcement agencies, and, where appropriate,
8 from the Royal Canadian Mounted Police and law enforcement agencies
9 of other countries, necessary to determine whether a license should
10 be issued under the licensure requirements established by the
11 committee as provided in paragraph 1 above. Only officials on, and
12 employees of, the compact committee may receive and review such
13 criminal history record information, and those officials and
14 employees may use that information only for the purposes of this
15 compact. No such official or employee may disclose or disseminate
16 such information to any person or entity other than another
17 official on or employee of the compact committee. The fingerprints
18 of each applicant for a license from the compact committee shall be
19 taken by the compact committee, its employees, or its designee and,
20 pursuant to Public Law 92-544 or Public Law 100-413, shall be
21 forwarded to a state identification bureau, or to the Association
22 of Racing Commissioners, International, an association of state
23 officials regulating pari-mutuel wagering designated by the
24 Attorney General of the United States, for submission to the
25 Federal Bureau of Investigation for a criminal history record
26 check. Such fingerprints may be submitted on a fingerprint card or
27 by electronic or other means authorized by the Federal Bureau of
28 Investigation or other receiving law enforcement agency.

1 3. Issue licenses to, and renew the licenses of,
2 participants in live racing listed in paragraph 1 of this section
3 who are found by the committee to have met the licensure and
4 renewal requirements established by the committee. The compact
5 committee shall not have the power or authority to deny a license.
6 If it determines that an applicant will not be eligible for the
7 issuance or renewal of a compact committee license, the compact
8 committee shall notify the applicant that it will not be able to
9 process his application further. Such notification does not
10 constitute and shall not be considered to be the denial of a
11 license. Any such applicant shall have the right to present
12 additional evidence to, and to be heard by, the compact committee,
13 but the final decision on issuance or renewal of the license shall
14 be made by the compact committee using the requirements established
15 pursuant to paragraph 1 of this section.

16 4. Enter into contracts or agreements with governmental
17 agencies and with nongovernmental persons to provide personal
18 services for its activities and such other services as may be
19 necessary to effectuate the purposes of this compact.

20 5. Create, appoint, and abolish those offices,
21 employments, and positions, including an executive director, as it
22 deems necessary for the purposes of this compact, prescribe their
23 powers, duties and qualifications, hire persons to fill those
24 offices, employments and positions, and provide for the removal,
25 term, tenure, compensation, fringe benefits, retirement benefits
26 and other conditions of employment of its officers, employees and
27 other positions.

28 6. Borrow, accept, or contract for the services of

1 personnel from any state, the United States, or any other
2 governmental agency, or from any person, firm, association,
3 corporation or other entity.

4 7. Acquire, hold, and dispose of real and personal
5 property by gift, purchase, lease, license, or in other similar
6 manner, in furtherance of the purposes of this compact.

7 8. Charge a fee to each applicant for an initial license
8 or renewal of a license.

9 9. Receive other funds through gifts, grants and
10 appropriations.

11 Section 8. Voting requirements.

12 A. Each official shall be entitled to one (1) vote on
13 the compact committee.

14 B. All action taken by the compact committee with regard
15 to the addition of party states as provided in Section 3, the
16 licensure of participants in live racing, and the receipt and
17 disbursement of funds shall require a majority vote of the total
18 number of officials (or their alternates) on the committee. All
19 other action by the compact committee shall require a majority vote
20 of those officials (or their alternates) present and voting.

21 C. No action of the compact committee may be taken
22 unless a quorum is present. A majority of the officials (or their
23 alternates) on the compact committee shall constitute a quorum.

24 Section 9. Administration and management.

25 A. The compact committee shall elect annually from among
26 its members a chairman, a vice-chairman, and a secretary/treasurer.

27 B. The compact committee shall adopt bylaws for the
28 conduct of its business by a two-thirds vote of the total number of

1 officials (or their alternates) on the committee at that time and
2 shall have the power by the same vote to amend and rescind these
3 bylaws. The committee shall publish its bylaws in convenient form
4 and shall file a copy thereof and a copy of any amendments thereto
5 with the secretary of state or equivalent agency of each of the
6 party states.

7 C. The compact committee may delegate the day-to-day
8 management and administration of its duties and responsibilities to
9 an executive director and his support staff.

10 D. Employees of the compact committee shall be
11 considered governmental employees.

12 Section 10. Immunity from liability for performance of
13 official responsibilities and duties.

14 No official of a party state or employee of the compact
15 committee shall be held personally liable for any good faith act or
16 omission that occurs during the performance and within the scope of
17 his responsibilities and duties under this compact.

18 ARTICLE V. RIGHTS AND RESPONSIBILITIES OF EACH PARTY STATE

19 Section 11. Rights and responsibilities of each party
20 state.

21 A. By enacting this compact, each party state:

22 1. Agrees (i) to accept the decisions of the compact
23 committee regarding the issuance of compact committee licenses to
24 participants in live racing pursuant to the committee's licensure
25 requirements, and (ii) to reimburse or otherwise pay the expenses
26 of its official representative on the compact committee or his
27 alternate.

28 2. Agrees not to treat a notification to an applicant by

1 the compact committee under paragraph 3 of Section 7 that the
2 compact committee will not be able to process his application
3 further as the denial of a license, or to penalize such applicant
4 in any other way based solely on such a decision by the compact
5 committee.

6 3. Reserves the right (i) to charge a fee for the use of
7 a compact committee license in that state, (ii) to apply its own
8 standards in determining whether, on the facts of a particular
9 case, a compact committee license should be suspended or revoked,
10 (iii) to apply its own standards in determining licensure
11 eligibility, under the laws of that party state, for categories of
12 participants in live racing that the compact committee determines
13 not to license and for individual participants in live racing who
14 do not meet the licensure requirements of the compact committee,
15 and (iv) to establish its own licensure standards for the licensure
16 of non-racing employees at horse racetracks and employees at
17 separate satellite wagering facilities. Any party state that
18 suspends or revokes a compact committee license shall, through its
19 racing commission or the equivalent thereof or otherwise, promptly
20 notify the compact committee of that suspension or revocation.

21 B. No party state shall be held liable for the debts or
22 other financial obligations incurred by the compact committee.

23 ARTICLE VI. CONSTRUCTION AND SEVERABILITY

24 Section 12. Construction and severability.

25 This compact shall be liberally construed so as to
26 effectuate its purposes. The provisions of this compact shall be
27 severable, and, if any phrase, clause, sentence or provision of
28 this compact is declared to be contrary to the Constitution of the

1 United States or of any party state, or the applicability of this
2 compact to any government, agency, person or circumstance is held
3 invalid, the validity of the remainder of this compact and the
4 applicability thereof to any government, agency, person or
5 circumstance shall not be affected thereby. If all or some portion
6 of this compact is held to be contrary to the constitution of any
7 party state, the compact shall remain in full force and effect as
8 to the remaining party states and in full force and effect as to
9 the state affected as to all severable matters.

10 Sec. 2. Section 2-1203, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 2-1203. The State Racing Commission shall have power to
13 prescribe and enforce rules and regulations governing horseraces
14 and race meetings licensed as provided in sections 2-1201 to
15 2-1242. Such rules and regulations shall contain criteria to be
16 used by the commission for decisions on approving and revoking
17 track licenses and licenses for teleracing facilities and
18 telephonic wagering and setting racing dates.

19 The commission may revoke or suspend licenses issued to
20 racing industry participants and may, in lieu of or in addition to
21 such suspension or revocation, impose a fine in an amount not to
22 exceed one thousand dollars upon a finding that a rule or
23 regulation has been violated by a licensed racing industry
24 participant. The exact amount of the fine shall be proportional to
25 the seriousness of the violation and the extent to which the
26 licensee derived financial gain as a result of the violation. All
27 fines collected under this section shall be ~~paid into a fund for~~
28 ~~alcohol and drug rehabilitation services for horseracing industry~~

1 ~~participants, which fund is hereby created~~ remitted to the State
2 Treasurer for credit to the permanent school fund. Any fund for
3 alcohol and drug rehabilitation services for horseracing industry
4 participants created under this section prior to the effective date
5 of this act shall terminate on the effective date of this act. Any
6 money in such fund on the effective date of this act shall be
7 transferred to the permanent school fund on such date.

8 The commission may delegate to a board of stewards such
9 of the commission's powers and duties as may be necessary to carry
10 out and effectuate the purposes of sections 2-1201 to 2-1242. Any
11 decision or action of such board of stewards may be appealed to the
12 commission or reviewed by the commission on its own initiative.

13 Sec. 3. Original section 2-1203, Reissue Revised
14 Statutes of Nebraska, is repealed.