

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 24, 2005

LB 573

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SENATOR CUDABACK: Senator Dwite Pedersen, you're recognized to open on LB 573.

SENATOR Dw. PEDERSEN: Thank you, Mr. President, members of the Legislature. LB 573 is a bill that was brought to me on behalf of...by...on behalf of the State Racing Commission. It reflects an agreement made by the Nebraska racetracks, the horsemen and breeders to provide additional revenue to the Racing Commission. This increase in funding is necessary to cover a projected shortfall for the current fiscal year, and deficit projections for the future. The bill basically reflects the industry's agreement to tax themselves to pay for the services they receive from the Racing Commission. The bill accomplishes this by increasing the funding currently provided for the Racing Commission from .4 of 1 percent of the gross wagers to .64 of 1 percent of the gross sum wagered by the parimutuel method at each licensed racetrack during the calendar year. In addition to the increase in funding taken from the gross sum wagered, the bill permits racetracks to increase the total amount withheld from exotic wagers from the current 24 percent to 25 percent. For those of you who are not familiar with the racing industry, exotic wagers are those wagers that are anything other than win, place, or show. Examples would be exactas and trifectas. Then this increase in funding for the Racing Commission will not only offset the expected shortfall, but will also provide funding to permit the Racing Commission to discontinue reimbursement of compensation for the state steward, official veterinarian, and test barn assistants, and will provide that the Racing Commission, rather than the racetracks, can perform drug testing of horses. This increase in funding will allow the Racing Commission to provide a drug testing level consistent with current nationally recommended regulations and further discourage the use of illegal drugs and medications in the horses. The bill also increases the disciplinary authority of the Racing Commission from the current maximum fine of \$1,000 to a maximum of \$5,000, and authorizes the Board of Stewards to invoke a maximum fine of \$1,500. During the negotiations prior to introduction of this legislation, discussions were held regarding making some changes in the statutory provisions