A BILL FOR AN ACT relating to the State Racing Commission; to amend sections 2-1201.01, 2-1202, 2-1203.02, 2-1204, 2-1207.01, 2-1208.03, 2-1208.04, 2-1209, 2-1211, 2-1213, 2-1215, 2-1217, 2-1219, 2-1224, 2-1225, 2-1244, 2-1246, and 2-1247, Reissue Revised Statutes of Nebraska, sections 2-1201, 2-1203, 2-1207, 2-1208, 2-1216, 2-1221, and 2-1222, Revised Statutes Cumulative Supplement, 2020, and section 2-1203.01, Revised Statutes Cumulative Supplement, 2018, as amended by section 7, Initiative Law 2020, No. 430; to rename the State Racing Commission; to change the membership of the State Racing Commission; to provide regulatory authority of games of chance authorized under the Nebraska Racetrack Gaming Act; to change provisions relating to wagering on horseracing and penalties; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 2-1201, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1201 (1) There hereby is created a State Racing and Gaming Commission. For purposes of sections 2-1201 to 2-1229, commission means the State Racing and Gaming Commission.

(2) Until July 15, 2010, the commission shall consist of three members who shall be appointed by the Governor and subject to confirmation by a majority of the members elected to the Legislature and may be for cause removed by the Governor. One member shall be appointed each year for a term of three years. The members shall serve until their successors are appointed and qualified.

(2) The (3) On and after July 15, 2010, the commission shall consist of seven members who shall be appointed by the Governor and subject to confirmation by a majority of the members elected to the Legislature and may be for cause removed by the Governor. One member of the commission shall be appointed from each congressional district, as such districts existed on January 1, 2010, and four members of the commission shall be appointed at large for terms as follows:

(a) The member representing the second congressional district who is appointed on or after April 1, 2010, shall serve until March 31, 2014, and until his or her successor is appointed and qualified. Thereafter the term of the member representing such district shall be four years and until his or her successor is appointed and qualified;

(b) The member representing the third congressional district who is appointed on or after April 1, 2011, shall serve until March 31, 2015, and until his or her successor is appointed and qualified. Thereafter the term of the member representing such district shall be four years and until his or her successor is appointed and qualified;

(c) The member representing the first congressional district who is appointed on or after April 1, 2012, shall serve until March 31, 2016, and until his or her successor is appointed and qualified. Thereafter the
term of the member representing such district shall be four years and
until his or her successor is appointed and qualified;

(d) Not later than sixty days after July 15, 2010, the Governor
shall appoint one at-large member who shall serve until March 31, 2013,
and until his or her successor is appointed and qualified. Thereafter the
term of such member shall be four years and until his or her successor is
appointed and qualified; and

(e) Not later than sixty days after July 15, 2010, the Governor
shall appoint one at-large member who shall serve until March 31, 2014,
and until his or her successor is appointed and qualified. Thereafter the
term of such member shall be four years and until his or her successor is
appointed and qualified; and

(f) Not later than sixty days after July 15, 2021, the Governor
shall appoint two additional at-large members who shall serve until March
31, 2025, and until a successor is appointed and qualified. One of such
members shall have experience in the Nebraska gaming industry, and one
shall be a member of the organization representing the majority of
licensed owners and trainers of horses at racetracks in Nebraska. The
term of those members shall be four years.

(4) Not more than four members of the commission shall belong
to the same political party. No more than three of the members shall
reside, when appointed, in the same congressional district. No more than
two of the members shall reside in any one county. Any vacancy shall be
filled by appointment by the Governor for the unexpired term. The
compensation of the members of the commission shall be one thousand
dollars per month, which may be adjusted every two years in an amount not
to exceed the change in the Consumer Price Index for Urban Wage Earners
and Clerical Workers for the period between June 30 of the first year to
June 30 of the year of adjustment. The members shall serve without
compensation but shall be reimbursed for expenses incurred in the
performance of their duties as provided in sections 81-1174 to 81-1177.
The members of the commission shall be bonded or insured as required by section 11-201.

(5) No member shall have any personal financial interest in any licensed racetrack enclosure or authorized gaming operator as defined in the Nebraska Racetrack Gaming Act for the duration of the member's term.

Sec. 2. Section 2-1201.01, Reissue Revised Statutes of Nebraska, is amended to read:

2-1201.01 The purpose of the **commission** State Racing Commission is to provide statewide regulation of horseracing and **games of chance** as defined in the Nebraska Racetrack Gaming Act in order to prevent and eliminate corrupt practices and fraudulent behavior, and thereby maintain a high level of integrity and honesty in the horseracing industry of Nebraska and the operation of **games of chance** in Nebraska, and to insure that all funds received by the commission are properly distributed.

Sec. 3. Section 2-1202, Reissue Revised Statutes of Nebraska, is amended to read:

2-1202 The commission shall elect one of its members to be **chairperson** chairman thereof, and it shall be authorized to employ an **executive director** secretary and such other assistants and employees as may be necessary to carry out the purposes of sections 2-1201 to 2-1218. Such **executive director** secretary shall have no other official duties. The **executive director** secretary shall keep a record of the proceedings of the commission, preserve the books, records, and documents entrusted to the **executive director** his care, and perform such other duties as the commission shall prescribe; and the commission shall require the **executive director** secretary to give bond in such sum as it may fix, conditioned for the faithful performance of the **executive director** duties of the **executive director**. The commission shall be authorized to fix the compensation of its **executive director** secretary, and also the compensation of its other employees, subject to the approval of the Governor. The commission shall have an office at such place within the
state as it may determine, and shall meet at such times and places as it shall find necessary and convenient for the discharge of its duties.

Sec. 4. Section 2-1203, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1203 The commission State Racing Commission shall have power to prescribe and enforce rules and regulations governing horseraces and race meetings licensed as provided in sections 2-1201 to 2-1229 and games of chance as provided in the Nebraska Racetrack Gaming Act. Such rules and regulations shall contain criteria to be used by the commission for decisions on approving and revoking track licenses and setting racing dates.

The commission may revoke or suspend licenses issued to racing industry participants and may, in lieu of or in addition to such suspension or revocation, impose a fine in an amount not to exceed five thousand dollars upon a finding that a rule or regulation has been violated by a licensed racing industry participant. The exact amount of the fine shall be proportional to the seriousness of the violation and the extent to which the licensee derived financial gain as a result of the violation.

The commission may delegate to a board of stewards such of the commission's powers and duties as may be necessary to carry out and effectuate the purposes of sections 2-1201 to 2-1229.

Any decision or action of such board of stewards may be appealed to the commission or may be reviewed by the commission on its own initiative. The board of stewards may impose a fine not to exceed fifteen hundred dollars upon a finding that a rule or regulation has been violated.

The commission shall remit administrative fines collected under this section to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

The commission shall have the authority to issue directives without
having to comply with the terms of the Administrative Procedure Act
relating to the adoption and promulgation of rules and regulations.

Sec. 5. Section 2-1203.01, Revised Statutes Cumulative Supplement,
2018, as amended by section 7, Initiative Law 2020, No. 430, is amended
to read:

2-1203.01 The commission State Racing Commission shall:

(1) Enforce all state laws covering horseracing as required by
sections 2-1201 to 2-1229 and enforce rules and regulations adopted and
promulgated by the commission under the authority of section 2-1203;

(2) License racing industry participants, race officials, mutuel
employees, concessionaires, and such other persons as deemed necessary by
the commission if the license applicants meet eligibility standards
established by the commission;

(3) Prescribe and enforce security provisions, including, but not
limited to, the restricted access to areas within track enclosures and
backstretch areas, and prohibitions against misconduct or corrupt
practices;

(4) Determine or cause to be determined by chemical testing and
analysis of body fluids whether or not any prohibited substance has been
administered to the winning horse of each race and any other horse
selected by the board of stewards;

(5) Verify the certification of horses registered as being Nebraska-
bred under section 2-1213; and

(6) Collect and verify the amount of revenue received by the
commission under section 2-1208; and

(7) Serve as ex officio members of the Nebraska Gaming Commission,
and perform the duties set forth in the Nebraska Racetrack Gaming Act.

Sec. 6. Section 2-1203.02, Reissue Revised Statutes of Nebraska, is
amended to read:

2-1203.02 (1) Any person applying for or holding a license to
participate in or be employed at a horserace meeting licensed by the
commission State Racing Commission shall be subject to fingerprinting and a check of his or her criminal history record information maintained by the Identification Division of the Federal Bureau of Investigation for the purpose of determining whether the commission has a basis to deny the license application or to suspend, cancel, or revoke the person's license, except that the commission shall not require a person to be fingerprinted if such person has been previously fingerprinted in connection with a license application in this state or any other state within the last five years prior to the application for such license. Any person involved in the administration or management of a racetrack, including the governing body, shall be subject to fingerprinting and a check of his or her criminal history record information maintained by the Identification Division of the Federal Bureau of Investigation. The applicant, licensee, or person involved in the administration or management of a racetrack shall pay the actual cost of any fingerprinting or check of his or her criminal history record information. The requirements of this subsection shall not apply to employees of concessions who do not work in restricted-access areas, admissions employees whose duties involve only admissions ticket sales and verification or parking receipts sales and verification, and medical or emergency services personnel authorized to provide such services at the racetrack.

(2) If the applicant is an individual who is applying for a license to participate in or be employed at a horserace meeting, the application shall include the applicant's social security number.

Sec. 7. (1) The commission shall appoint or employ deputies, investigators, inspectors, agents, security personnel, and other persons as deemed necessary to administer and effectively enforce all provisions of the regulation of horseracing and the Nebraska Racetrack Gaming Act. Any appointed or employed personnel shall perform the duties assigned by the commission.
(2) All personnel appointed or employed by the commission shall be bonded or insured as required by section 11-201. As specified by the commission, certain personnel shall be vested with the authority and power of a law enforcement officer to carry out the laws of this state administered by the commission.

Sec. 8. Section 2-1204, Reissue Revised Statutes of Nebraska, is amended to read:

2-1204 The Nebraska State Fair Board, a county fair board, a county agricultural society for the improvement of agriculture organized under the County Agricultural Society Act, or a corporation or association of persons organized and carried on for civic purposes or which conducts a livestock exposition for the promotion of the livestock or horse-breeding industries of the state and which does not permit its members to derive personal profit from its activities by way of dividends or otherwise may apply to the [commission State Racing Commission] for a license to conduct horseracing at a designated place within the state. Such application shall be filed with the [executive director secretary] of the commission at least sixty days before the first day of the horserace meeting which such corporation or association proposes to hold or conduct, shall specify the day or days when and the exact location where it is proposed to conduct such racing, and shall be in such form and contain such information as the commission shall prescribe.

Sec. 9. Section 2-1207, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1207 (1) Within the enclosure of any racetrack where a race or race meeting licensed and conducted under sections 2-1201 to 2-1218 is held or at a racetrack licensed to simulcast races or conduct interstate simulcasting, the parimutuel method or system of wagering on the results of the respective races may be used and conducted by the licensee. Under such system, the licensee may receive wagers of money from any person present at such race or racetrack receiving the simulcast race or
conducting interstate simulcasting on any horse in a race selected by such person to run first in such race, and the person so wagering shall acquire an interest in the total money so wagered on all horses in such race as first winners in proportion to the amount of money wagered by him or her. Such licensee shall issue to each person so wagering a certificate on which shall be shown the number of the race, the amount wagered, and the number or name of the horse selected by such person as first winner. As each race is run, at the option of the licensee, the licensee may deduct from the total sum wagered on all horses as first winners not less than fifteen percent or more than eighteen percent from such total sum, plus the odd cents of the redistribution over the next lower multiple of ten. At the option of the licensee, the licensee may deduct up to and including twenty-five percent from the total sum wagered by exotic wagers as defined in section 2-1208.03. The commission may authorize other levels of deduction on wagers conducted by means of interstate simulcasting. The licensee shall notify the commission in writing of the percentages the licensee intends to deduct during the live race meet conducted by the licensee and shall notify the commission at least one week in advance of any changes to such percentages the licensee intends to make. The licensee shall also deduct from the total sum wagered by exotic wagers, if any, the tax plus the odd cents of the redistribution over the next multiple of ten as provided in subsection (1) of section 2-1208.04. The balance remaining on hand shall be paid out to the holders of certificates on the winning horse in the proportion that the amount wagered by each certificate holder bears to the total amount wagered on all horses in such race to run first. The licensee may likewise receive such wagers on horses selected to run second, third, or both, or in such combinations as the commission may authorize, the method, procedure, and authority and right of the licensee, as well as the deduction allowed to the licensee, to be as specified with respect to wagers upon horses selected to run first.
(2) At all race meets held pursuant to this section, the licensee shall deduct from the total sum wagered one-third of the amount over fifteen percent deducted pursuant to subsection (1) of this section on wagers on horses selected to run first, second, or third and one percent of all exotic wagers to be used to promote agriculture and horse breeding in Nebraska and for the support and preservation of horseracing pursuant to section 2-1207.01.

(3) No person under twenty-one nineteen years of age shall be permitted to make any parimutuel wager, and there shall be no wagering except under the parimutuel method outlined in this section. Any person, association, or corporation who knowingly aids or abets a person under twenty-one nineteen years of age in making a parimutuel wager shall be guilty of a Class I IV misdemeanor.

Sec. 10. Section 2-1207.01, Reissue Revised Statutes of Nebraska, is amended to read:

2-1207.01 The amount deducted from wagers pursuant to subsection (2) of section 2-1207 may be used to promote agriculture and horsebreeding in Nebraska and shall be distributed as purse supplements and breeder and stallion awards for Nebraska-bred horses, as defined and registered pursuant to section 2-1213, at the racetrack where the funds were generated, except that if a racetrack does not continue to conduct live race meets, amounts deducted may be distributed as purse supplements and breeder and stallion awards at racetracks that conduct live race meets and amounts deducted pursuant to a contract with the organization representing the majority of the licensed owners and trainers at the racetrack's most recent live race meet shall be used by that organization to promote live thoroughbred horseracing in the state or as purse supplements at racetracks that conduct live race meets in the state. Any costs incurred by the commission pursuant to this section and subsection (2) of section 2-1207 shall be separately accounted for and be deducted from such funds.
Sec. 11. Section 2-1208, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1208 For all race meetings, every corporation or association licensed under the provisions of sections 2-1201 to 2-1218 shall pay the tax imposed by section 2-1208.01 and shall also pay to the commission the sum of sixty-four one hundredths of one percent of the gross sum wagered by the parimutuel method at each licensed racetrack enclosure during the calendar year. For race meetings devoted principally to running live races, the licensee shall pay to the commission the sum of fifty dollars for each live racing day that the licensee serves as the host track for intrastate simulcasting and twenty-five dollars for any other live racing day.

No other license tax, permit tax, occupation tax, or excise tax or racing fee, except as provided in this section and in sections 2-1203 and 2-1208.01, shall be levied, assessed, or collected from any such licensee by the state or by any county, township, district, city, village, or other governmental subdivision or body having power to levy, assess, or collect any such tax or fee.

Sec. 12. Section 2-1208.03, Reissue Revised Statutes of Nebraska, is amended to read:

2-1208.03 For purposes of sections 2-1208.03 and 2-1208.04, unless the context otherwise requires:

(1) Exotic wagers shall mean daily double, exacta, quinella, trifecta, pick six, and other similar types of bets which are approved by the State Racing Commission;

(2) Gross exotic daily receipts shall mean the total sum of all money wagered, on a daily basis, by means of exotic wagers at race meets;

(3) Race meet shall mean any exhibition of racing of horses at which the parimutuel or certificate method of wagering is used;

(4) Racetrack shall mean any racetrack licensed by the commission to conduct race meets; and
(5) Recipient track shall mean a racetrack with a total annual parimutuel handle, based on the previous racing year, of twelve million dollars or less.

Sec. 13. Section 2-1208.04, Reissue Revised Statutes of Nebraska, is amended to read:

2-1208.04 (1) Racetracks shall separately account for their gross exotic daily receipts. For all meets commencing after July 16, 1994, any racetrack that had for its previous race meet a total parimutuel handle of less than fifty million dollars shall withhold an amount equal to one-half of one percent of such receipts and any racetrack that had for its previous race meet a total parimutuel handle of fifty million dollars or more shall withhold an amount equal to one percent of such receipts, except that for all meets commencing on or after January 1, 1995, each racetrack shall withhold an amount equal to one-fourth of one percent of such receipts, which amount shall be deducted from purses at the withholding track. Such amount withheld shall be paid to the State Racing Commission on the last day of each month during each race meeting for deposit in the Track Distribution Fund, which fund is hereby created.

(2) The fund shall be distributed monthly to recipient racetracks which conduct wagering by the parimutuel method on thoroughbred horseracing. Such racetracks shall receive the percentage which the total number of days of horseraces run at such racetrack in the year of distribution bears to the total number of days of horseraces run at all such racetracks in the year of distribution. Before January 1, 1995, one-half of the amount received under this subsection by a racetrack shall be used to supplement purses at the track, and on and after January 1, 1995, the entire amount received by a racetrack shall be used to supplement purses at the track.

(3) Any money in the Track Distribution Fund available for investment shall be invested by the state investment officer pursuant to
the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Any money in the fund which is not distributed at the end of the calendar year shall be available for expenditure by the commission to defray its expenses pursuant to section 2-1209.

(4) The assessment required by this section shall be in addition to the assessments, taxes, and fees required by Chapter 2, article 12.

Sec. 14. Section 2-1209, Reissue Revised Statutes of Nebraska, is amended to read:

2-1209 Out of the funds received pursuant to section 2-1208, the expenses of the commissioners, the compensation and reasonable expenses of the executive director secretary, assistants, and employees, and the other reasonable expenses of the commission State Racing Commission, including suitable furniture, equipment, supplies, and office expenses, shall first be paid. The commission shall maintain a reserve fund balance which shall not exceed ten percent of the appropriation for the commission for the calendar year. If the commission has unexpended funds in excess of its appropriation and authorized reserve fund balance at the end of the calendar year, such funds shall be credited to the General Fund. Sums paid out by the commission shall be subject to the general policy for disbursement of funds by agencies of the state, including regular audit.

Sec. 15. Section 2-1211, Reissue Revised Statutes of Nebraska, is amended to read:

2-1211 Every corporation or association licensed under sections 2-1201 to 2-1218 shall so keep its books and records as to clearly show the total number of admissions to races conducted by it on each racing day, including the number of admissions upon free passes or complimentary tickets, and the amount received daily from admission fees and the total amount of money wagered during the race meeting, including wagers at locations to which its races were simulcast and at races which it received via simulcast from other racetracks, and shall furnish to the
commission State Racing Commission such reports and information as it may
require with respect thereto. At the end of each race meeting, the
licensee shall furnish to the commission and the Governor a complete
audit by a certified public accountant detailing all expenses and
disbursements. Such audit shall be in the form specified by the
commission and shall be filed on or before February 1 following such
meet.

Sec. 16. Section 2-1213, Reissue Revised Statutes of Nebraska, is
amended to read:

2-1213 (1)(a) No racing under sections 2-1201 to 2-1218 shall be
permitted on Sunday except when approved by a majority of the members of
the commission State Racing Commission upon application for approval by
any racetrack. Such approval shall be given after the commission has
considered: (i) Whether Sunday racing at the applicant track will tend to
promote and encourage agriculture and horse breeding in Nebraska; (ii)
whether the applicant track operates under a license granted by the
commission; (iii) whether the applicant track is in compliance with all
applicable health, safety, fire, and police rules and regulations or
ordinances; (iv) whether the denial of Sunday racing at the applicant
track would impair such track's economic ability to continue to function
under its license; and (v) whether the record of the public hearing held
on the issue of Sunday racing at the applicant track shows reasonable
public support. Notice of such public hearing shall be given at least ten
days prior thereto by publication in a newspaper having general
circulation in the county in which the applicant track is operating, and
the commission shall conduct a public hearing in such county. The
commission may adopt, promulgate, and enforce rules and regulations
governing the application and approval for Sunday racing in addition to
its powers in section 2-1203. If the commission permits racing on Sunday,
the voters may prohibit such racing in the manner prescribed in section
2-1213.01. If approval by the commission for Sunday racing at the
applicant track is granted, no racing shall occur on Sunday until after 11 p.m.

(b) No license shall be granted for racing on more than one racetrack in any one county, except that the commission may, in its discretion, grant a license to any county agricultural society to conduct racing during its county fair notwithstanding a license may have been issued for racing on another track in such county.

(c) Since the purpose of sections 2-1201 to 2-1218 is to encourage agriculture and horse breeding in Nebraska, every licensee shall hold at least one race on each racing day limited to Nebraska-bred horses, including thoroughbreds or quarter horses. Three percent of the first money of every purse won by a Nebraska-bred horse shall be paid to the breeder of such horse. Beginning September 1, 2005, through January 1, 2008, each licensee who holds a license for quarter horseracing shall, for each live racing day, give preference to Nebraska-bred quarter horses in at least one race in lieu of the requirements of this subdivision.

(2) For purposes of this section, Nebraska-bred horse shall mean a horse registered with the Nebraska Thoroughbred or Quarter Horse Registry and meeting the following requirements: (a) It shall have been foaled in Nebraska; (b) its dam shall have been registered, prior to foaling, with the Nebraska Thoroughbred or Quarter Horse Registry; and (c) its dam shall have been continuously in Nebraska for ninety days immediately prior to foaling, except that such ninety-day period may be reduced to thirty days in the case of a mare in foal which is purchased at a nationally recognized thoroughbred or quarter horse blood stock sale, the name and pedigree of the mare being listed in the sale catalog, and which is brought into this state and remains in this state for thirty days immediately prior to foaling.

The requirement that a dam shall be continuously in Nebraska for either ninety days or thirty days, as specified in subdivision (2)(c) of this section, shall not apply to a dam which is taken outside of Nebraska.
to be placed for sale at a nationally recognized thoroughbred or quarter
horse blood stock sale, the name and pedigree of the mare being listed in
the sale catalog, or for the treatment of an extreme sickness or injury,
if written notice of such proposed sale or treatment is provided to the
secretary of the commission within three days of the date such horse is
taken out of the state.

The commission may designate official registrars for the purpose of
registration and to certify the eligibility of Nebraska-bred horses. An
official registrar shall perform such duties in accordance with policies
and procedures adopted and promulgated by the commission in the current
rules and regulations of the commission. The commission may authorize the
official registrar to collect specific fees as would reasonably
compensate the registrar for expenses incurred in connection with
registration of Nebraska-bred horses. The amount of such fee or fees
shall be established by the commission and shall not be changed without
commission approval. Fees shall not exceed one hundred dollars per horse.

Any decision or action taken by the official registrar shall be
subject to review by the commission or may be taken up by the commission
on its own initiative.

Sec. 17. Section 2-1215, Reissue Revised Statutes of Nebraska, is
amended to read:

2-1215 Any person, corporation, or association holding or conducting
any horserace or horserace meeting in connection with which the said
parimutuel system of wagering is used or to be used, without a license
duly issued by the commission; or any person, corporation, or association holding or conducting horseraces or horserace
meetings in connection with which any wagering is permitted otherwise
than in the manner hereinbefore specified in sections 2-1201 to 2-1218;
or any person, corporation, or association violating any of the
provisions of sections 2-1201 to 2-1218 or any of the rules and
regulations prescribed by the commission, shall be guilty of a Class I
Sec. 18. Section 2-1216, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1216 The parimutuel system of wagering on the results of horseraces, when conducted within the racetrack enclosure at licensed horserace meetings, shall not under any circumstances be held or construed to be unlawful, any other statutes of the State of Nebraska to the contrary notwithstanding. The money inuring to the commission State Racing Commission under sections 2-1201 to 2-1218 from permit fees or from other sources shall never be considered as license money. It is the intention of the Legislature that the funds arising under such sections be construed as general revenue to be appropriated and allocated exclusively for the specific purposes set forth in such sections.

Sec. 19. Section 2-1217, Reissue Revised Statutes of Nebraska, is amended to read:

2-1217 It shall be unlawful for any person to use, or permit to be used a narcotic of any kind to stimulate or retard any horse that is to run in a race in this state to which the provisions of sections 2-1201 to 2-1218 apply, or for a person having the control of such horse and knowledge of such stimulation or retardation to allow it to run in any such race. The owners of such horse, and their agents or employees shall permit any member of the commission State Racing Commission or any person appointed by the said commission for that purpose to make such tests as the commission deems proper in order to determine whether any such animal has been so stimulated or retarded. The findings of the said commission that a horse has been stimulated or retarded by a narcotic or narcotics shall be prima facie evidence of such fact.

Sec. 20. Section 2-1219, Reissue Revised Statutes of Nebraska, is amended to read:

2-1219 (1) When any matter comes before the commission State Racing Commission that may cause financial benefit or detriment to a member of...
the commission, a member of his or her immediate family, or a business
with which the member is associated, which is distinguishable from the
effects of such matter on the public generally or a broad segment of the
public, such member shall take the following actions as soon as he or she
is aware of such potential conflict or should reasonably be aware of such
potential conflict, whichever is sooner:

(a) Prepare a written statement describing the matter requiring
action or decision and the nature of the potential conflict;
(b) Deliver a copy of the statement to the secretary of the
commission; and
(c) Recuse himself or herself from taking any action or making any
decision relating to such matter in the discharge of his or her official
duties as a member of the commission.

(2) No horse in which any employee of the commission State Racing
Commission has any interest shall be raced at any meet under the
jurisdiction of the commission.

(3) No employee of the commission State Racing Commission shall have
a pecuniary interest or engage in any private employment in a profession
or business which is regulated by or interferes or conflicts with the
performance or proper discharge of the duties of the commission.

(4) No employee of the commission State Racing Commission shall
wager or cause a wager to be placed on the outcome of any race at a race
meeting which is under the jurisdiction and supervision of the
commission.

(5) No employee of the commission State Racing Commission shall have
a pecuniary interest or engage in any private employment in a business
which does business with any racing association licensed by the
commission or in any business issued a concession operator license by the
commission.

(6) Any commission employee violating this section shall forfeit his
or her employment.
(7) The commission shall include in its rules and regulations prohibitions against actual or potential specific conflicts of interest on the part of racing officials and other individuals licensed by the commission.

Sec. 21. Section 2-1221, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1221 Except as provided in section 2-1207, whoever directly or indirectly accepts anything of value to be wagered or to be transmitted or delivered for wager in any parimutuel system of wagering on horse races or delivers anything of value which has been received outside of the enclosure of a racetrack holding a race meet licensed under sections 2-1201 to 2-1247 to be placed as wagers in the parimutuel pool within such enclosure shall be guilty of a Class I misdemeanor.

Sec. 22. Section 2-1222, Revised Statutes Cumulative Supplement, 2020, is amended to read:

2-1222 There is hereby created the Racing and Gaming Commission's Cash Fund from which shall be appropriated such amounts as are available therefrom and as shall be considered incident to the administration of the State Racing and Gaming Commission's office. The fund shall contain all license fees and gross receipt taxes collected by the commission as provided under sections 2-1203, 2-1203.01, and 2-1208 but shall not include taxes collected pursuant to section 2-1208.01, and such fees and taxes collected shall be remitted to the State Treasurer for credit to the Racing and Gaming Commission's Cash Fund. Money in the fund may be transferred to the General Fund at the direction of the Legislature. The State Treasurer shall transfer one hundred fifty thousand dollars from the fund to the General Fund on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services. Any money in the Racing and Gaming Commission's Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska
Sec. 23. Section 2-1224, Reissue Revised Statutes of Nebraska, is amended to read:

2-1224 (1) The Legislature finds that:

(a) The horseracing, horse breeding, and parimutuel wagering industry is an important sector of the agricultural economy of the state, provides substantial revenue for state and local governments, and employs many residents of the state;

(b) The simultaneous telecast of live audio and visual signals of horseraces conducted within the state on which parimutuel betting is permitted holds the potential to strengthen and further these economic contributions and it is in the best interest of the state to permit such live telecasts;

(c) Permitting parimutuel wagering on the results of horseracing conducted at racetracks outside the state also holds the potential to strengthen and further these economic contributions and it is in the best interest of the state to permit such wagering; and

(d) No simulcast or interstate simulcast shall be authorized which would jeopardize present live racing, horse breeding, or employment opportunities or which would infringe on current operations or markets of the racetracks which generate significant revenue for local governments in the state.

(2) The Legislature hereby authorizes the telecasts of horseraces conducted within the state on which parimutuel wagering shall be permitted and interstate simulcasting under rules and regulations adopted and promulgated by the commission State Racing Commission in the manner and subject to the conditions provided in sections 2-1207 and 2-1224 to 2-1229.

Sec. 24. Section 2-1225, Reissue Revised Statutes of Nebraska, is amended to read:

2-1225 For purposes of sections 2-1207 and 2-1224 to 2-1229, unless
the context otherwise requires:

(1) Commission shall mean the State Racing and Gaming Commission;

(2) Interstate simulcast shall mean parimutuel wagering at any licensed racetrack within the state on the results of any horserace conducted outside the state;

(3) Licensed horserace meeting shall include, but not be limited to, licensed racetracks at which simulcasts or interstate simulcasts are conducted;

(4) Operator shall mean any licensee issued a license under sections 2-1201 to 2-1223 operating a simulcast facility in accordance with sections 2-1224 to 2-1229;

(5) Receiving track shall mean any track which displays a simulcast which originates from another track or which conducts interstate simulcasts;

(6) Sending track shall mean any track from which a simulcast or interstate simulcast originates;

(7) Simulcast shall mean the telecast of live audio and visual signals of any horserace conducted in the state for the purpose of parimutuel wagering;

(8) Simulcast facility shall mean a facility within the state which is authorized to display simulcasts for parimutuel wagering purposes under sections 2-1224 to 2-1227 or to conduct interstate simulcasts under sections 2-1228 and 2-1229; and

(9) Track shall mean the grounds or enclosures within which horseraces are conducted by licensees authorized to conduct such races in accordance with sections 2-1201 to 2-1223.

Sec. 25. Section 2-1244, Reissue Revised Statutes of Nebraska, is amended to read:

2-1244 For purposes of sections 2-1243 to 2-1246, horseracing industry participant shall mean an individual who currently holds a valid license from the State Racing and Gaming Commission and who owns, trains,
Sec. 26. Section 2-1246, Reissue Revised Statutes of Nebraska, is amended to read:

2-1246 (1) The State Racing and Gaming Commission shall adopt and promulgate rules and regulations which provide for dismissal, license revocation or suspension, fines, or other suitable penalties necessary to enforce sections 2-1243 to 2-1245.

(2) Nothing in such sections shall affect in any way the right of any horseracing industry participant to bring any action in any appropriate forum for the violation of any law of this state or any rule of racing.

Sec. 27. Section 2-1247, Reissue Revised Statutes of Nebraska, is amended to read:

2-1247 The Interstate Compact on Licensure of Participants in Horse Racing with Pari-Mutuel Wagering is hereby enacted into law and entered into with all other jurisdictions legally joining therein, in the form substantially as follows:

ARTICLE I. PURPOSES

Section 1. Purposes.

The purposes of this compact are to:

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

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

3. Authorize the Nebraska State Racing and Gaming Commission to
4. Provide for participation in this compact by officials of the party states, and permit those officials, through the compact committee established by this compact, to enter into contracts with governmental agencies and nongovernmental persons to carry out the purposes of this compact.

5. Establish the compact committee created by this compact as an interstate governmental entity duly authorized to request and receive criminal history record information from the Federal Bureau of Investigation and other state and local law enforcement agencies.

ARTICLE II. DEFINITIONS

Section 2. Definitions.

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

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

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

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

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

ARTICLE III. ENTRY INTO FORCE, ELIGIBLE PARTIES AND WITHDRAWAL

Section 3. Entry into force.

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

Section 4. States eligible to join compact.

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

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

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

ARTICLE IV. COMPACT COMMITTEE

Section 6. Compact committee established.

There is hereby created an interstate governmental entity to be known as the "compact committee," which shall be comprised of one (1) official from the racing commission or its equivalent in each party state. The Nebraska State Racing and Gaming Commission shall designate one of its members to represent the State of Nebraska as the compact committee official. A compact committee official shall be appointed, serve and be subject to removal in accordance with the laws of the party state he represents. Pursuant to the laws of his party state, each official shall have the assistance of his state's racing commission or the equivalent thereof in considering issues related to licensing of participants in live racing and in fulfilling his responsibilities as the representative from his state to the compact committee. If an official representing the State of Nebraska is unable to perform any duty in connection with the powers and duties of the compact committee, the Nebraska State Racing and Gaming Commission shall designate another of
its members or its executive director secretary as an alternate who shall serve and represent the State of Nebraska as its official on the compact committee until the commission determines that the original representative official is able once again to perform the duties as that party state's representative official on the compact committee. The designation of an alternate shall be communicated by the Nebraska State Racing and Gaming Commission to the compact committee as the committee's bylaws may provide.

Section 7. Powers and duties of compact committee.

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

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

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

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

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

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

6. Borrow, accept, or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association, corporation or other entity.

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

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

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

Section 8. Voting requirements.

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

B. All action taken by the compact committee with regard to the addition of party states as provided in Section 3, the licensure of participants in live racing, and the receipt and disbursement of funds shall require a majority vote of the total number of officials (or their alternates) on the committee. All other action by the compact committee shall require a majority vote of those officials (or their alternates) present and voting.
C. No action of the compact committee may be taken unless a quorum is present. A majority of the officials (or their alternates) on the compact committee shall constitute a quorum.

Section 9. Administration and management.
A. The compact committee shall elect annually from among its members a chairman, a vice-chairman, and a secretary/treasurer.

B. The compact committee shall adopt bylaws for the conduct of its business by a two-thirds vote of the total number of officials (or their alternates) on the committee at that time and shall have the power by the same vote to amend and rescind these bylaws. The committee shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendments thereto with the secretary of state or equivalent agency of each of the party states.

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

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

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

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

ARTICLE V. RIGHTS AND RESPONSIBILITIES OF EACH PARTY STATE

Section 11. Rights and responsibilities of each party state.

A. By enacting this compact, each party state:

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

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

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

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

ARTICLE VI. CONSTRUCTION AND SEVERABILITY

Section 12. Construction and severability.

This compact shall be liberally construed so as to effectuate its purposes. The provisions of this compact shall be severable, and, if any phrase, clause, sentence or provision of this compact is declared to be contrary to the Constitution of the United States or of any party state, or the applicability of this compact to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person
or circumstance shall not be affected thereby. If all or some portion of
this compact is held to be contrary to the constitution of any party
state, the compact shall remain in full force and effect as to the
remaining party states and in full force and effect as to the state
affected as to all severable matters.

Sec. 28. Original sections 2-1201.01, 2-1202, 2-1203.02, 2-1204,
2-1207.01, 2-1208.03, 2-1208.04, 2-1209, 2-1211, 2-1213, 2-1215, 2-1217,
2-1219, 2-1224, 2-1225, 2-1244, 2-1246, and 2-1247, Reissue Revised
Statutes of Nebraska, sections 2-1201, 2-1203, 2-1207, 2-1208, 2-1216,
2-1221, and 2-1222, Revised Statutes Cumulative Supplement, 2020, and
section 2-1203.01, Revised Statutes Cumulative Supplement, 2018, as
amended by section 7, Initiative Law 2020, No. 430, are repealed.

Sec. 29. Since an emergency exists, this act takes effect when
passed and approved according to law.