

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB806

Hearing Date: Wednesday January 25, 2012
Committee On: Judiciary
Introducer: Lautenbaugh
One Liner: Authorize the State Racing Commission to regulate wagering on historic horseraces

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	6	Senators Lathrop, Council, Harr, Larson, Lautenbaugh, McGill
Nay:		
Absent:	1	Senator Coash
Present Not Voting:	1	Senator Ashford

Proponents:
SEN. SCOTT LAUTENBAUGH
LOUIS CELLA
GREG HOSCH

Representing:
INTRODUCER
RACETECH LLC, OAKLAWN JOCKEY CLUB
HORSEMEN'S PARK

Opponents:
DAVE WIMMER
JOHN DITTMAN

DAVID BYDALEK
AL RISKOWSKI
LORETTA FAIRCHILD
RICHARD HALVORSON
HANNAH BUELL
PAT LOONTJER

Representing:
GAMBLING WITH THE GOOD LIFE
GAMBLING WITH THE GOOD LIFE, CORNHUSKER
BANK
FAMILY FIRST
NEBRASKA FAMILY COUNCIL
SELF
SELF
NEBRASKA FAMILY COUNCIL
GAMBLING WITH THE GOOD LIFE

Neutral:
DENNIS LEE

Representing:
STATE RACING COMMISSION

Summary of purpose and/or changes:

LB 806 would amend 2-1203.01 to provide the State Racing Commission the authority to license and regulate pari-mutuel wagering on historic horse races.

LB 806 would also make the following changes:

Provides a definition of historic horse race to clarify legislative intent;
Requires the county board of the county containing the race track where these machines are to be located, to have adopted a resolution approving of this form of wagering before a license can be issued;
Provides that the Commission may adopt rules and regulations to implement subdivision (7) as provided under this act;
Requires the "Commission" to determine and mandate that enough of the historic horse race be shown on the machine to maintain the integrity of the race, with the amount of the race shown being determined by the Commission;

Would establish a one-time fee licensing fee of \$1,000 on each machine used for pari-mutuel wagering on historic horse races;

Provides a tax rate on the gross sum wagered on historical horse races at 1% of the first one hundred million collected, 1.5% of the second, one hundred million collected and 2% percent on all money collected thereafter;

Creates the Historic Horse racing Distribution Fund and provides that all costs for the administration of the fund shall be paid from the fund; and

Finally, LB 806 provides that all funds in excess of the costs of administration of the Historic Horse Racing Distribution Fund shall be divided in the amount of one-thirds to the following funds:

1. The Compulsive Gamblers Assistance Fund,
2. The Probation Program Cash Fund, and
3. The Violence Prevention Cash Fund.

LB 806 would also provide that a conviction for a subsection (1) offense would be a class I misdemeanor (1yr/\$1,000 or both) and that an offense for a subsection (2) violation which is newly created under this act would be a Class III misdemeanor.

Subsection (2) also provides that the use of a device for pari-mutuel wagering on historic horse races outside the premises of a licensed racetrack enclosure is a class III misdemeanor.

Explanation of amendments:

AM 1852 would make changes to sections 2,3,4, and 6 of LB 806 in the following manner:

Section 2

Strikes the requirement that the county board of the county containing the race track where these machines are to be located, must have adopted a resolution approving this form of wagering before granting a license allowing historic horse- racing.

Section 3

Revises subsection (1) to change the opening statement from "in addition to any other taxed imposed under sections 2-1201 to 2-1242" to "in lieu of any other tax imposed under sections 2-1201 to 2-1242" to clarify that the tax provisions under this act will control the collection of tax revenue for parimutuel wagering at licensed racetrack enclosures;

Adds a new distribution of funds to a city or county that contains a racetrack enclosure from the gross revenues wagered under this act, in the following way:

If the racetrack enclosure is not within a cities corporate limits, one-tenth of one percent of the gross sum wagered under this section is to be provided to the treasurer of the county in which the racetrack is located to be credited to the county general fund;

If a racetrack enclosure is located within a city's corporate limits, then the funds will be divided between the city and the county with each entities general fund receiving five hundredths of one percent of the gross sum wagered.

Section 4

This section is amended to provide that instead of a three-way split of any funds that remain after the costs of administering the Historic Horse racing Distribution Fund, there will be a two way split with funds going to:

One-half of all receipts remaining will be credited to the Racing Commissions Cash Fund to be used by the Commission for equitable treatment of equine species; and

One-half of the remaining receipts shall go the Compulsive Gambler's Assistance Fund.

Section 6

This section was newly created to allow the Racing Commission to receive funds from this act into their cash fund for purposes of equitable treatment of equine species as provided under subsection (3) of this section and section three provides that the amount of funds to be provided for the equitable treatment of equines under this act, are as required under section 4 of this amendment.

Brad Ashford, Chairperson