

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB357

Hearing Date: Monday January 27, 2025
Committee On: General Affairs
Introducer: General Affairs
One Liner: Change provisions relating to the State Racing and Gaming Commission, the Nebraska Racetrack Gaming Act, racetrack enclosures, and racing and gaming funds

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Andersen, Cavanaugh, J., Clouse, DeKay, Holdcroft, Quick, Rountree, Storm
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Rick Holdcroft
Casey Ricketts

Representing:

Opening Presenter
Nebraska Racing and Gaming Commission

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

This bill was introduced by the General Affairs Committee, on behalf of the Racing and Gaming Commission. Below is a summary of each of the changes in this bill followed by the section-by-section summary.

Reduction of Required Annual Meetings:

The Commission is seeking to reduce the number of required meetings they hold each year from eight to six. The Commission would like flexibility of scheduling less required meetings because as casinos become fully built out, the Commission may not need to meet eight times per year. Less frequent meetings also come at a cost savings to the Commission because they pay for the Commissioners travel expenses.

License of Racetrack Enclosures:

The Commission is proposing to license the racetrack enclosures. In 2020, the ballot initiative language stated casinos can only be built when accompanied with a licensed racetrack enclosure. Nebraska statutes have constitutional and statutory language referring to the "licensed racetrack enclosure" where races are held, but the



Commission has never licensed a racetrack. The Commission currently “licenses” for individual race days, per statute, but does not actually issue a license. Race days are approved by the Commission but no formal license is issued for those days, and no formal license has ever been issued for the racetrack enclosure. This section of the bill allows the Commission to follow the constitutional and statutory language and begin to actually license the racetrack enclosures. This bill creates an application fee to operate a licensed racetrack enclosure for \$10,000 and is valid for a period of three years. An individual may renew a racetrack enclosure license in a manner prescribed by the Commission, and such application for renewal shall be accompanied by a fee of \$10,000.

Update of Background Checks and Fingerprinting Procedures:

The Commission is updating their statutory language regarding background checks and fingerprinting procedures, both in the horseracing statutes (2-1201 et seq.) and the gaming statutes (9-1101 et seq.).

Horse Racing License Update:

The Commission is changing the term of individual licenses for people who race horses to three years, down from five years. This change allows for better workflow efficiency, allowing individual licenses for both horse racing employees and gaming employees to be licensed for the same period of three years.

Clarify Provisions of Gaming Operator License Fee:

The Commission is modifying the language in 9-1106, subsection 6, to make it clear to casino operators that the five-million-dollar license fee can be paid over a period of five years, but one million dollars of that fee is due each year for those five years.

Consolidation of Cash Funds:

The Commission currently has two cash funds and was advised to manage different programs within one fund for purposes of accounting and keeping track of the Commission’s funds. The one fund is now referred to as the Racetrack Gaming Fund.

Harmonizing Language :

There are several other minor changes to the bill meant to harmonize language across different sections of statute, ensuring they are consistent and correct.

SECTION BY SECTION SUMMARY:

Section 1: Amends section 2-1201 to include section six, licensed racetrack enclosure, to the State Racing and Gaming Commission.

Section 2: Amends 2-1202 by changing the required State Racing and Gaming Commission meetings from eight to six and by striking sections 9-1201 to 9-1209 in subsections one and two.

Section 3: Amends section 2-1203 to include section six, licensed racetrack enclosure, to the State Racing and Gaming Commission.

Section 4: Amends section 2-1203.01, subsections one and two, to include section six, licensed racetrack enclosures, to the enforcement and regulation State Racing and Gaming Commission.

Section 5: Amends 2-1203.02 by including additional language expanding on the criminal background checks and fingerprinting procedures completed by the Nebraska State Patrol and submitted to the Federal Bureau of Investigation for a national criminal history record check. The Nebraska State Patrol will issue finding of the record check to the Commission.



Section 6: Creates three new subsections:

Subsection one creates the definition of licensed racetrack enclosure. Subsection two creates new language establishing an application fee to operate a licensed racetrack enclosure of ten thousand dollars and be valid for three years. The Renewal of a licensed racetrack enclosure is determined by the Commission; the renewal is also a fee of ten thousand dollars and would be valid for three years. Subsection three clarifies a license for a racetrack enclosure and is separate from the license required to conduct horseracing meets, issued pursuant to section 2-1204.

Section 7: Creates a new subsection in 2-1204 clarifying a license required to conduct "horseracing meets" is separate from the license required for racetrack enclosures pursuant to section 6 of this act.

Section 8: Amends section 2-1205 to reduce the individual horse racing licenses from five years to three years.

Section 9: Amends section 2-1223 to update "horseracing" language to "horseracing meets". Changes meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 10: Amends section 2-1225 strikes "racetrack" and "enclosure" references and replaces "license racetrack enclosures" and other minor changes meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 11: Amends section 2-1244 striking "Nebraska-licensed" and replaced with "license racetrack enclosure in this state". Changes meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 12: Amends section 2-1245 subsection three by striking "horseracing facilities" and replacing them with "racetrack enclosures". Subsection four includes "enclosure". These changes are meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 13: Amends section 9-1101 to include sections 9-1201 to 9-1209 into the Nebraska Racetrack Gaming Act.

Section 14: Amends Section 9-1103, adding subsection seven, establishing the definition of "dollar amount collected". Amends Section 9-1103, adding subsection ten, establishing the definition of "gross gaming revenue". Amends Section 9-1103, subsection twelve, aligning the same definition of Licensed racetrack enclosure, as noted in section six of this act. Amends Section 9-1103, adding subsection 15, establishing the definition of "promotional gaming credit".

Section 15: Amends 9-1106, subsection six, adding clarifying language that the one-time authorized gaming operator license fee of five million dollars may be paid over a period of five years, with one million paid each year until the amount is paid in full.

Amends 9-1106, subsection twenty-three, striking "Racing and Gaming Commission's". The intention of these fund changes is to incorporate the administration the Nebraska Racetrack Gaming Act and the administration of horseracing under one fund instead of separately with two funds. The one fund is now referred to as the Racetrack Gaming Fund.

Section 16: Amends 9-1107, subsection one, striking "Racing and Gaming Commission's" and includes language that all license fees and gross tax receipts collected under sections 2-1203, 2-1203.01, and 2-1208 are used for the administration of the Nebraska Racetrack Gaming Act and the administration of horseracing pursuant to Chapter 2, article 12. Subsection two, states the State Treasurer shall transfer any money in the stricken Racing and Gaming



Commission's Racing Cash Fund to the Racetrack Gaming Fund on the effective date of this act.

Section 17: Similar to the changes noted in Section 5, this section amends 9-1108 by including additional language elaborating on the criminal background checks and fingerprinting procedures completed by the Nebraska State Patrol and submitted to the Federal Bureau of Investigation for a national criminal history record check. The Nebraska State Patrol will issue a finding of the record check to the Commission.

Section 18: Amends section 9-1203 by striking "gaming" from "gaming commission". Changes meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 19: Amends section 9-1205 by striking sections 9-1201 to 9-1209 and replaces language with section 9-1203 and strikes "gaming" from "gaming commission". Changes meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 20: Amends section 9-1206 by striking sections 9-1201 to 9-1209 and replaces language with section 9-1203 and strikes "gaming" from "gaming commission". Changes meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 21: Amends section 9-1207 by striking sections 9-1201 to 9-1209 and replaces language with section 9-1205.

Section 22: Amends 9-1208 by striking the language sections 9-1201 to 9-1209 and replaced with Nebraska Racetrack Gaming Act

Section 23: Amends section 9-1209 in subsections 1-7. striking references to sections 9-1201 to 9-1208 and "gaming" from "gaming commission". These changes are meant to harmonize language across different sections of statute, ensuring language is consistent and correct.

Section 24: Amends section 25-21,252, subsection 1, adding reference to section 6 of this act.

Section 25: Is a repealer section.

Section 26: Is a repealer section.

Rick Holdcroft, Chairperson

