

AMENDMENTS TO LB561

Introduced by General Affairs.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 2-1201, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 2-1201 (1) There hereby is created a State Racing and Gaming
6 Commission. For purposes of sections 2-1201 to 2-1229, commission means
7 the State Racing and Gaming Commission.

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

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

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

26 (b) The member representing the third congressional district who is
27 appointed on or after April 1, 2011, shall serve until March 31, 2015,

1 and until his or her successor is appointed and qualified. Thereafter the
2 term of the member representing such district shall be four years and
3 until his or her successor is appointed and qualified;

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

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

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

19 (f) Not later than sixty days after the effective date of this act,
20 the Governor shall appoint two additional at-large members who shall
21 serve until March 31, 2025, and until their successors are appointed and
22 qualified. One of such members shall have experience in the Nebraska
23 gaming industry, and one shall be a member of the organization
24 representing the majority of licensed owners and trainers of horses at
25 racetracks in Nebraska. Thereafter the terms of such at-large members
26 shall be four years and until their successors are appointed and
27 qualified.

28 (4) Not more than four ~~three~~ members of the commission shall belong
29 to the same political party. No more than three ~~two~~ of the members shall
30 reside, when appointed, in the same congressional district. No more than
31 two of the members shall reside in any one county. Any vacancy shall be

1 filled by appointment by the Governor for the unexpired term. The
2 compensation of the members of the commission shall be one thousand
3 dollars per month, which may be adjusted every two years in an amount not
4 to exceed the change in the Consumer Price Index for Urban Wage Earners
5 and Clerical Workers for the period between June 30 of the first year to
6 June 30 of the year of adjustment. The members shall ~~serve without~~
7 ~~compensation~~ but shall be reimbursed for expenses incurred in the
8 performance of their duties as provided in sections 81-1174 to 81-1177.
9 The members of the commission shall be bonded or insured as required by
10 section 11-201.

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

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

16 2-1201.01 The purpose of the commission ~~State Racing Commission~~ is
17 to provide statewide regulation of horseracing and games of chance as
18 defined in the Nebraska Racetrack Gaming Act in order to prevent and
19 eliminate corrupt practices and fraudulent behavior, and thereby maintain
20 a high level of integrity and honesty in the horseracing industry of
21 Nebraska and the operation of games of chance in Nebraska, and to insure
22 that all funds received by the commission are properly distributed.

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

25 2-1202 (1) The commission shall elect one of its members to be
26 chairperson ~~chairman~~ thereof, and it shall be authorized to employ an
27 executive director ~~a secretary~~ and such other assistants and employees as
28 may be necessary to carry out the purposes of sections 2-1201 to 2-1218,
29 the Nebraska Racetrack Gaming Act, and sections 1 to 9 of Initiative Law
30 2020, No. 431, and section 47 of this act. Such executive director
31 secretary shall have no other official duties. The executive director

1 secretary shall keep a record of the proceedings of the commission,
2 preserve the books, records, and documents entrusted to the executive
3 director his care, and perform such other duties as the commission shall
4 prescribe; and the commission shall require the executive director
5 secretary to give bond in such sum as it may fix, conditioned for the
6 faithful performance of the his duties of the executive director. The
7 commission shall be authorized to fix the compensation of the executive
8 director its secretary, and also the compensation of its other employees,
9 subject to the approval of the Governor. The commission shall have an
10 office at such place within the state as it may determine, and shall meet
11 at such times and places as it shall find necessary and convenient for
12 the discharge of its duties.

13 (2) The commission shall appoint or employ deputies, investigators,
14 inspectors, agents, security personnel, and other persons as deemed
15 necessary to administer and effectively enforce the regulation of
16 horseracing, the Nebraska Racetrack Gaming Act, sections 1 to 9 of
17 Initiative Law 2020, No. 431, and section 47 of this act. Any appointed
18 or employed personnel shall perform the duties assigned by the
19 commission.

20 (3) All personnel appointed or employed by the commission shall be
21 bonded or insured as required by section 11-201. As specified by the
22 commission, certain personnel shall be vested with the authority and
23 power of a law enforcement officer to carry out the laws of this state
24 administered by the commission.

25 Sec. 4. Section 2-1203, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 2-1203 The commission State Racing Commission shall have power to
28 prescribe and enforce rules and regulations governing horseraces and race
29 meetings licensed as provided in sections 2-1201 to 2-1229 and games of
30 chance as provided in the Nebraska Racetrack Gaming Act. Such rules and
31 regulations shall contain criteria to be used by the commission for

1 decisions on approving and revoking track licenses and setting racing
2 dates.

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

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

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

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

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

25 Sec. 5. Section 2-1203.01, Revised Statutes Cumulative Supplement,
26 2018, as amended by section 7, Initiative Law 2020, No. 430, is amended
27 to read:

28 2-1203.01 The commission ~~State Racing Commission~~ shall:

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

1 of section 2-1203;

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

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

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

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

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

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

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

22 2-1203.02 (1) Any person applying for or holding a license to
23 participate in or be employed at a horserace meeting licensed by the
24 commission ~~State Racing Commission~~ shall be subject to fingerprinting and
25 a check of his or her criminal history record information maintained by
26 the Identification Division of the Federal Bureau of Investigation for
27 the purpose of determining whether the commission has a basis to deny the
28 license application or to suspend, cancel, or revoke the person's
29 license, except that the commission shall not require a person to be
30 fingerprinted if such person has been previously fingerprinted in
31 connection with a license application in this state or any other state

1 within the last five years prior to the application for such license. Any
2 person involved in the administration or management of a racetrack,
3 including the governing body, shall be subject to fingerprinting and a
4 check of his or her criminal history record information maintained by the
5 Identification Division of the Federal Bureau of Investigation. The
6 applicant, licensee, or person involved in the administration or
7 management of a racetrack shall pay the actual cost of any fingerprinting
8 or check of his or her criminal history record information. The
9 requirements of this subsection shall not apply to employees of
10 concessions who do not work in restricted-access areas, admissions
11 employees whose duties involve only admissions ticket sales and
12 verification or parking receipts sales and verification, and medical or
13 emergency services personnel authorized to provide such services at the
14 racetrack.

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

18 Sec. 7. Section 2-1204, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 2-1204 The Nebraska State Fair Board, a county fair board, a county
21 agricultural society for the improvement of agriculture organized under
22 the County Agricultural Society Act, or a corporation or association of
23 persons organized and carried on for civic purposes or which conducts a
24 livestock exposition for the promotion of the livestock or horse-breeding
25 industries of the state and which does not permit its members to derive
26 personal profit from its activities by way of dividends or otherwise may
27 apply to the commission ~~State Racing Commission~~ for a license to conduct
28 horseracing at a designated place within the state. Such application
29 shall be filed with the executive director ~~secretary~~ of the commission at
30 least sixty days before the first day of the horserace meeting which such
31 corporation or association proposes to hold or conduct, shall specify the

1 day or days when and the exact location where it is proposed to conduct
2 such racing, and shall be in such form and contain such information as
3 the commission shall prescribe.

4 Sec. 8. Section 2-1207, Revised Statutes Cumulative Supplement,
5 2020, is amended to read:

6 2-1207 (1) Within the enclosure of any racetrack where a race or
7 race meeting licensed and conducted under sections 2-1201 to 2-1218 is
8 held or at a racetrack licensed to simulcast races or conduct interstate
9 simulcasting, the parimutuel method or system of wagering on the results
10 of the respective races may be used and conducted by the licensee. Under
11 such system, the licensee may receive wagers of money from any person
12 present at such race or racetrack receiving the simulcast race or
13 conducting interstate simulcasting on any horse in a race selected by
14 such person to run first in such race, and the person so wagering shall
15 acquire an interest in the total money so wagered on all horses in such
16 race as first winners in proportion to the amount of money wagered by him
17 or her. Such licensee shall issue to each person so wagering a
18 certificate on which shall be shown the number of the race, the amount
19 wagered, and the number or name of the horse selected by such person as
20 first winner. As each race is run, at the option of the licensee, the
21 licensee may deduct from the total sum wagered on all horses as first
22 winners not less than fifteen percent or more than eighteen percent from
23 such total sum, plus the odd cents of the redistribution over the next
24 lower multiple of ten. At the option of the licensee, the licensee may
25 deduct up to and including twenty-five percent from the total sum wagered
26 by exotic wagers as defined in section 2-1208.03. The commission State
27 ~~Racing Commission~~ may authorize other levels of deduction on wagers
28 conducted by means of interstate simulcasting. The licensee shall notify
29 the commission in writing of the percentages the licensee intends to
30 deduct during the live race meet conducted by the licensee and shall
31 notify the commission at least one week in advance of any changes to such

1 percentages the licensee intends to make. The licensee shall also deduct
2 from the total sum wagered by exotic wagers, if any, the tax plus the odd
3 cents of the redistribution over the next multiple of ten as provided in
4 subsection (1) of section 2-1208.04. The balance remaining on hand shall
5 be paid out to the holders of certificates on the winning horse in the
6 proportion that the amount wagered by each certificate holder bears to
7 the total amount wagered on all horses in such race to run first. The
8 licensee may likewise receive such wagers on horses selected to run
9 second, third, or both, or in such combinations as the commission may
10 authorize, the method, procedure, and authority and right of the
11 licensee, as well as the deduction allowed to the licensee, to be as
12 specified with respect to wagers upon horses selected to run first.

13 (2) At all race meets held pursuant to this section, the licensee
14 shall deduct from the total sum wagered one-third of the amount over
15 fifteen percent deducted pursuant to subsection (1) of this section on
16 wagers on horses selected to run first, second, or third and one percent
17 of all exotic wagers to be used to promote agriculture and horse breeding
18 in Nebraska and for the support and preservation of horseracing pursuant
19 to section 2-1207.01.

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

26 Sec. 9. Section 2-1207.01, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 2-1207.01 The amount deducted from wagers pursuant to subsection (2)
29 of section 2-1207 may be used to promote agriculture and horsebreeding in
30 Nebraska and shall be distributed as purse supplements and breeder and
31 stallion awards for Nebraska-bred horses, as defined and registered

1 pursuant to section 2-1213, at the racetrack where the funds were
2 generated, except that if a racetrack does not continue to conduct live
3 race meets, amounts deducted may be distributed as purse supplements and
4 breeder and stallion awards at racetracks that conduct live race meets
5 and amounts deducted pursuant to a contract with the organization
6 representing the majority of the licensed owners and trainers at the
7 racetrack's most recent live race meet shall be used by that organization
8 to promote live thoroughbred horseracing in the state or as purse
9 supplements at racetracks that conduct live race meets in the state. Any
10 costs incurred by the commission ~~State Racing Commission~~ pursuant to this
11 section and subsection (2) of section 2-1207 shall be separately
12 accounted for and be deducted from such funds.

13 Sec. 10. Section 2-1208, Revised Statutes Cumulative Supplement,
14 2020, is amended to read:

15 2-1208 For all race meetings, every corporation or association
16 licensed under the provisions of sections 2-1201 to 2-1218 relating to
17 horseracing shall pay the tax imposed by section 2-1208.01 and shall also
18 pay to the commission ~~State Racing Commission~~ the sum of sixty-four one
19 hundredths of one percent of the gross sum wagered by the parimutuel
20 method at each licensed racetrack enclosure during the calendar year. For
21 race meetings devoted principally to running live races, the licensee
22 shall pay to the commission the sum of fifty dollars for each live racing
23 day that the licensee serves as the host track for intrastate
24 simulcasting and twenty-five dollars for any other live racing day.

25 No other license tax, permit tax, occupation tax, or excise tax or
26 racing fee, except as provided in this section and in sections 2-1203 and
27 2-1208.01, relating to horseracing shall be levied, assessed, or
28 collected from any such licensee by the state or by any county, township,
29 district, city, village, or other governmental subdivision or body having
30 power to levy, assess, or collect any such tax or fee.

31 Sec. 11. Section 2-1208.03, Reissue Revised Statutes of Nebraska, is

1 amended to read:

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

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

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

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

11 (4) Racetrack shall mean any racetrack licensed by the commission
12 ~~State Racing Commission~~ to conduct race meets; and

13 (5) Recipient track shall mean a racetrack with a total annual
14 parimutuel handle, based on the previous racing year, of twelve million
15 dollars or less.

16 Sec. 12. Section 2-1208.04, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 2-1208.04 (1) Racetracks shall separately account for their gross
19 exotic daily receipts. For all meets commencing after July 16, 1994, any
20 racetrack that had for its previous race meet a total parimutuel handle
21 of less than fifty million dollars shall withhold an amount equal to one-
22 half of one percent of such receipts and any racetrack that had for its
23 previous race meet a total parimutuel handle of fifty million dollars or
24 more shall withhold an amount equal to one percent of such receipts,
25 except that for all meets commencing on or after January 1, 1995, each
26 racetrack shall withhold an amount equal to one-fourth of one percent of
27 such receipts, which amount shall be deducted from purses at the
28 withholding track. Such amount withheld shall be paid to the commission
29 ~~State Racing Commission~~ on the last day of each month during each race
30 meeting for deposit in the Track Distribution Fund, which fund is hereby
31 created.

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

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

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

19 Sec. 13. Section 2-1209, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 2-1209 Out of the funds received pursuant to section 2-1208, the
22 expenses of the commissioners, the compensation and reasonable expenses
23 of the executive director ~~secretary~~, assistants, and employees, and the
24 other reasonable expenses of the commission related to the regulation of
25 horseracing ~~State Racing Commission~~, including suitable furniture,
26 equipment, supplies, and office expenses, shall first be paid. The
27 ~~commission shall maintain a reserve fund balance which shall not exceed~~
28 ~~ten percent of the appropriation for the commission for the calendar~~
29 ~~year. If the commission has unexpended funds in excess of its~~
30 ~~appropriation and authorized reserve fund balance at the end of the~~
31 ~~calendar year, such funds shall be credited to the General Fund. Sums~~

1 paid out by the commission shall be subject to the general policy for
2 disbursement of funds by agencies of the state, including regular audit.

3 Sec. 14. Section 2-1211, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 2-1211 Every corporation or association licensed under sections
6 2-1201 to 2-1218 shall so keep its books and records as to clearly show
7 the total number of admissions to races conducted by it on each racing
8 day, including the number of admissions upon free passes or complimentary
9 tickets, and the amount received daily from admission fees and the total
10 amount of money wagered during the race meeting, including wagers at
11 locations to which its races were simulcast and at races which it
12 received via simulcast from other racetracks, and shall furnish to the
13 commission ~~State Racing Commission~~ such reports and information as it may
14 require with respect thereto. At the end of each race meeting, the
15 licensee shall furnish to the commission and the Governor a complete
16 audit by a certified public accountant detailing all expenses and
17 disbursements. Such audit shall be in the form specified by the
18 commission and shall be filed on or before February 1 following such
19 meet.

20 Sec. 15. Section 2-1213, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 2-1213 (1)(a) No racing under sections 2-1201 to 2-1218 shall be
23 permitted on Sunday except when approved by a majority of the members of
24 the commission ~~State Racing Commission~~ upon application for approval by
25 any racetrack. Such approval shall be given after the commission has
26 considered: (i) Whether Sunday racing at the applicant track will tend to
27 promote and encourage agriculture and horse breeding in Nebraska; (ii)
28 whether the applicant track operates under a license granted by the
29 commission; (iii) whether the applicant track is in compliance with all
30 applicable health, safety, fire, and police rules and regulations or
31 ordinances; (iv) whether the denial of Sunday racing at the applicant

1 track would impair such track's economic ability to continue to function
2 under its license; and (v) whether the record of the public hearing held
3 on the issue of Sunday racing at the applicant track shows reasonable
4 public support. Notice of such public hearing shall be given at least ten
5 days prior thereto by publication in a newspaper having general
6 circulation in the county in which the applicant track is operating, and
7 the commission shall conduct a public hearing in such county. The
8 commission may adopt, promulgate, and enforce rules and regulations
9 governing the application and approval for Sunday racing in addition to
10 its powers in section 2-1203. If the commission permits racing on Sunday,
11 the voters may prohibit such racing in the manner prescribed in section
12 2-1213.01. If approval by the commission for Sunday racing at the
13 applicant track is granted, no racing shall occur on Sunday until after 1
14 p.m.

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

20 (c) Since the purpose of sections 2-1201 to 2-1218 is to encourage
21 agriculture and horse breeding in Nebraska, every licensee shall hold at
22 least one race on each racing day limited to Nebraska-bred horses,
23 including thoroughbreds or quarter horses. Three percent of the first
24 money of every purse won by a Nebraska-bred horse shall be paid to the
25 breeder of such horse. Beginning September 1, 2005, through January 1,
26 2008, each licensee who holds a license for quarter horseracing shall,
27 for each live racing day, give preference to Nebraska-bred quarter horses
28 in at least one race in lieu of the requirements of this subdivision.

29 (2) For purposes of this section, Nebraska-bred horse shall mean a
30 horse registered with the Nebraska Thoroughbred or Quarter Horse Registry
31 and meeting the following requirements: (a) It shall have been foaled in

1 Nebraska; (b) its dam shall have been registered, prior to foaling, with
2 the Nebraska Thoroughbred or Quarter Horse Registry; and (c) its dam
3 shall have been continuously in Nebraska for ninety days immediately
4 prior to foaling, except that such ninety-day period may be reduced to
5 thirty days in the case of a mare in foal which is purchased at a
6 nationally recognized thoroughbred or quarter horse blood stock sale, the
7 name and pedigree of the mare being listed in the sale catalog, and which
8 is brought into this state and remains in this state for thirty days
9 immediately prior to foaling.

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

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

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

1 Sec. 16. Section 2-1215, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 2-1215 Any person, corporation, or association holding or conducting
4 any horserace or horserace meeting in connection with which the said
5 parimutuel system of wagering is used or to be used, without a license
6 duly issued by the commission ~~State Racing Commission~~; or any person,
7 corporation, or association holding or conducting horseraces or horserace
8 meetings in connection with which any wagering is permitted otherwise
9 than in the manner ~~hereinbefore~~ specified in sections 2-1201 to 2-1218;
10 or any person, corporation, or association violating any of the
11 provisions of sections 2-1201 to 2-1218 or any of the rules and
12 regulations prescribed by the commission, shall be guilty of a Class I
13 misdemeanor.

14 Sec. 17. Section 2-1216, Revised Statutes Cumulative Supplement,
15 2020, is amended to read:

16 2-1216 The parimutuel system of wagering on the results of
17 horseraces, when conducted within the racetrack enclosure at licensed
18 horserace meetings, shall not under any circumstances be held or
19 construed to be unlawful, any other statutes of the State of Nebraska to
20 the contrary notwithstanding. The money inuring to the commission ~~State
21 Racing Commission~~ under sections 2-1201 to 2-1218 relating to
22 horseracing, from permit fees or from other sources shall never be
23 considered as license money. It is the intention of the Legislature that
24 the funds arising under such sections be construed as general revenue to
25 be appropriated and allocated exclusively for the specific purposes set
26 forth in such sections.

27 Sec. 18. Section 2-1217, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 2-1217 It shall be unlawful for any person to use, or permit to be
30 used a narcotic of any kind to stimulate or retard any horse that is to
31 run in a race in this state to which the provisions of sections 2-1201 to

1 2-1218 apply, or for a person having the control of such horse and
2 knowledge of such stimulation or retardation to allow it to run in any
3 such race. The owners of such horse, and their agents or employees shall
4 permit any member of the commission ~~State Racing Commission~~ or any person
5 appointed by the said commission for that purpose to make such tests as
6 the commission deems proper in order to determine whether any such animal
7 has been so stimulated or retarded. The findings of the said commission
8 that a horse has been stimulated or retarded by a narcotic or narcotics
9 shall be prima facie evidence of such fact.

10 Sec. 19. Section 2-1219, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 2-1219 (1) When any matter comes before the commission ~~State Racing~~
13 ~~Commission~~ that may cause financial benefit or detriment to a member of
14 the commission, a member of his or her immediate family, or a business
15 with which the member is associated, which is distinguishable from the
16 effects of such matter on the public generally or a broad segment of the
17 public, such member shall take the following actions as soon as he or she
18 is aware of such potential conflict or should reasonably be aware of such
19 potential conflict, whichever is sooner:

20 (a) Prepare a written statement describing the matter requiring
21 action or decision and the nature of the potential conflict;

22 (b) Deliver a copy of the statement to the executive director
23 ~~secretary~~ of the commission; and

24 (c) Recuse himself or herself from taking any action or making any
25 decision relating to such matter in the discharge of his or her official
26 duties as a member of the commission.

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

30 (3) No employee of the commission ~~State Racing Commission~~ shall have
31 a pecuniary interest or engage in any private employment in a profession

1 or business which is regulated by or interferes or conflicts with the
2 performance or proper discharge of the duties of the commission.

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

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

12 (6) Any commission employee violating this section shall forfeit his
13 or her employment.

14 (7) The commission shall include in its rules and regulations
15 prohibitions against actual or potential specific conflicts of interest
16 on the part of racing officials and other individuals licensed by the
17 commission.

18 Sec. 20. Section 2-1221, Revised Statutes Cumulative Supplement,
19 2020, is amended to read:

20 2-1221 Except as provided in section 2-1207, whoever directly or
21 indirectly accepts anything of value to be wagered or to be transmitted
22 or delivered for wager in any parimutuel system of wagering on horseraces
23 or delivers anything of value which has been received outside of the
24 enclosure of a racetrack holding a race meet licensed under sections
25 2-1201 to 2-1247 to be placed as wagers in the parimutuel pool within
26 such enclosure shall be guilty of a Class I ~~II~~ misdemeanor.

27 Sec. 21. Section 2-1222, Revised Statutes Cumulative Supplement,
28 2020, is amended to read:

29 2-1222 There is hereby created the Racing and Gaming Commission's
30 Cash Fund from which shall be appropriated such amounts as are available
31 therefrom and as shall be considered incident to the administration of

1 horseracing by the State Racing and Gaming Commission's office. The fund
2 shall contain all license fees and gross receipt taxes collected by the
3 commission as provided under sections 2-1203, 2-1203.01, and 2-1208
4 relating to horseracing but shall not include taxes collected pursuant to
5 section 2-1208.01, and such fees and taxes collected shall be remitted to
6 the State Treasurer for credit to the Racing and Gaming Commission's Cash
7 Fund. Money in the fund may be transferred to the General Fund at the
8 direction of the Legislature. The State Treasurer shall transfer one
9 hundred fifty thousand dollars from the fund to the General Fund on or
10 before June 15, 2018, on such dates and in such amounts as directed by
11 the budget administrator of the budget division of the Department of
12 Administrative Services. Any money in the Racing and Gaming Commission's
13 Cash Fund available for investment shall be invested by the state
14 investment officer pursuant to the Nebraska Capital Expansion Act and the
15 Nebraska State Funds Investment Act.

16 Sec. 22. Section 2-1224, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 2-1224 (1) The Legislature finds that:

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

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

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

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

6 (2) The Legislature hereby authorizes the telecasts of horseraces
7 conducted within the state on which parimutuel wagering shall be
8 permitted and interstate simulcasting under rules and regulations adopted
9 and promulgated by the commission ~~State Racing Commission~~ in the manner
10 and subject to the conditions provided in sections 2-1207 and 2-1224 to
11 2-1229.

12 Sec. 23. Section 2-1225, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 2-1225 For purposes of sections 2-1207 and 2-1224 to 2-1229, unless
15 the context otherwise requires:

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

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

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

23 (4) Operator shall mean any licensee issued a license under sections
24 2-1201 to 2-1223 operating a simulcast facility in accordance with
25 sections 2-1224 to 2-1229;

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

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

31 (7) Simulcast shall mean the telecast of live audio and visual

1 signals of any horserace conducted in the state for the purpose of
2 parimutuel wagering;

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

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

10 Sec. 24. Section 2-1244, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 2-1244 For purposes of sections 2-1243 to 2-1246, horseracing
13 industry participant shall mean an individual who currently holds a valid
14 license for purposes of conducting horseracing from the State Racing and
15 Gaming Commission and who owns, trains, cares for, or rides horses
16 stabled at a Nebraska-licensed racetrack for the purpose of horseracing
17 at the live race meeting at such racetrack.

18 Sec. 25. Section 2-1246, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 2-1246 (1) The State Racing and Gaming Commission shall adopt and
21 promulgate rules and regulations which provide for dismissal, license
22 revocation or suspension, fines, or other suitable penalties necessary to
23 enforce sections 2-1243 to 2-1245.

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

28 Sec. 26. Section 2-1247, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 2-1247 The Interstate Compact on Licensure of Participants in Horse
31 Racing with Pari-Mutuel Wagering is hereby enacted into law and entered

1 into with all other jurisdictions legally joining therein, in the form
2 substantially as follows:

3 ARTICLE I. PURPOSES

4 Section 1. Purposes.

5 The purposes of this compact are to:

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

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

15 3. Authorize the Nebraska State Racing and Gaming Commission to
16 participate in this compact.

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

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

26 ARTICLE II. DEFINITIONS

27 Section 2. Definitions.

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

31 "Official" means the appointed, elected, designated or otherwise

1 duly selected member of a racing commission or the equivalent thereof in
2 a party state who represents that party state as a member of the compact
3 committee.

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

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

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

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

11 Section 3. Entry into force.

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

17 Section 4. States eligible to join compact.

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

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

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

30 ARTICLE IV. COMPACT COMMITTEE

31 Section 6. Compact committee established.

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

24 Section 7. Powers and duties of compact committee.

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

27 1. Determine which categories of participants in live racing,
28 including but not limited to owners, trainers, jockeys, grooms, mutuel
29 clerks, racing officials, veterinarians, and farriers, should be licensed
30 by the committee, and establish the requirements for the initial
31 licensure of applicants in each such category, the term of the license

1 for each category, and the requirements for renewal of licenses in each
2 category. Provided, however, that with regard to requests for criminal
3 history record information on each applicant for a license, and with
4 regard to the effect of a criminal record on the issuance or renewal of a
5 license, the compact committee shall determine for each category of
6 participants in live racing which licensure requirements for that
7 category are, in its judgment, the most restrictive licensure
8 requirements of any party state for that category and shall adopt
9 licensure requirements for that category that are, in its judgment,
10 comparable to those most restrictive requirements.

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

1 record check. Such fingerprints may be submitted on a fingerprint card or
2 by electronic or other means authorized by the Federal Bureau of
3 Investigation or other receiving law enforcement agency.

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

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

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

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

31 7. Acquire, hold, and dispose of real and personal property by gift,

1 purchase, lease, license, or in other similar manner, in furtherance of
2 the purposes of this compact.

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

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

6 Section 8. Voting requirements.

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

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

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

19 Section 9. Administration and management.

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

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

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

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

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

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

9 ARTICLE V. RIGHTS AND RESPONSIBILITIES OF EACH PARTY STATE

10 Section 11. Rights and responsibilities of each party state.

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

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

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

22 3. Reserves the right (i) to charge a fee for the use of a compact
23 committee license in that state, (ii) to apply its own standards in
24 determining whether, on the facts of a particular case, a compact
25 committee license should be suspended or revoked, (iii) to apply its own
26 standards in determining licensure eligibility, under the laws of that
27 party state, for categories of participants in live racing that the
28 compact committee determines not to license and for individual
29 participants in live racing who do not meet the licensure requirements of
30 the compact committee, and (iv) to establish its own licensure standards
31 for the licensure of non-racing employees at horse racetracks and

1 employees at separate satellite wagering facilities. Any party state that
2 suspends or revokes a compact committee license shall, through its racing
3 commission or the equivalent thereof or otherwise, promptly notify the
4 compact committee of that suspension or revocation.

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

7 ARTICLE VI. CONSTRUCTION AND SEVERABILITY

8 Section 12. Construction and severability.

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

21 Sec. 32. Section 1, Initiative Law 2020, No. 430, is amended to
22 read:

23 Section 1. Sections 1 to 6 of this act and sections 36 to 45 of this
24 act shall be known and may be cited as the Nebraska Racetrack Gaming Act.

25 Sec. 33. Section 3, Initiative Law 2020, No. 430, is amended to
26 read:

27 Sec. 3. For purposes of the Nebraska Racetrack Gaming Act:

28 (1) Authorized gaming operator means a person or entity licensed
29 pursuant to the act to operate games of chance within a licensed
30 racetrack enclosure;

31 (2) Authorized gaming operator license means a license to operate

1 games of chance as an authorized gaming operator at a licensed racetrack
2 enclosure;

3 (5) Commission means the State Racing and Gaming Commission;

4 (7) (3) Game of chance means any game which has the elements of
5 chance, prize, and consideration, including any wager on a slot machine,
6 table game, counter game, or card game, or sports wagering. Game of
7 chance does not include any game the operation of which is prohibited at
8 a casino by federal law;

9 (8) (4) Gaming device means an electronic, mechanical, or other
10 device which plays a game of chance when activated by a player using
11 currency, a token, or other item of value;

12 (10) (5) Licensed racetrack enclosure means premises at which
13 licensed live horseracing is conducted in accordance with the
14 Constitution of Nebraska and applicable Nebraska law;

15 (11) (6) Limited gaming device means an electronic gaming device
16 which (a) offers games of chance, (b) does not dispense currency, tokens,
17 or other items of value, and (c) does not have a cash winnings hopper,
18 mechanical or simulated spinning reel, or side handle; and

19 (12) (7) Racing license means a license issued for a licensed
20 racetrack enclosure by the commission; and State Racing Commission.

21 Sec. 34. Section 5, Initiative Law 2020, No. 430, is amended to
22 read:

23 Sec. 5. ~~(1)~~ For purposes of providing the necessary licensing and
24 regulation of the operation of games of chance by authorized gaming
25 operators within licensed racetrack enclosures pursuant to the Nebraska
26 Racetrack Gaming Act, the commission shall administer the Nebraska
27 Racetrack Gaming Act. The commission shall have full jurisdiction over
28 and shall supervise all gaming operations pursuant to the Nebraska
29 Racetrack Gaming Act Gaming Commission is created.

30 ~~(2) The commission shall consist of seven members. Not more than~~
31 ~~four of the seven members shall be affiliated with the same political~~

1 party. No member shall have any personal financial interest in any
2 licensed racetrack enclosure or authorized gaming operator for the
3 duration of his or her term. The members of the commission shall elect
4 one of the members to be chairperson.

5 (3) The five members of the State Racing Commission shall be ex
6 officio members of the Nebraska Gaming Commission, serving terms and
7 receiving appointment in the same manner as provided in sections 2-1201
8 and 2-1202.

9 (4) The Governor shall appoint two additional members to serve with
10 the members of the State Racing Commission as members of the Nebraska
11 Gaming Commission. The members appointed pursuant to this subsection
12 shall serve five-year terms. One of such members shall have experience in
13 the Nebraska gaming industry, and one shall be a member of the
14 organization representing the majority of licensed owners and trainers of
15 horses at racetracks in Nebraska.

16 (5) The compensation of the members of the Nebraska Gaming
17 Commission shall be one thousand dollars per month, which may be adjusted
18 every two years in an amount not to exceed the change in the Consumer
19 Price Index for Urban Wage Earners and Clerical Workers for the period
20 between June 30 of the first year to June 30 of the year of adjustment.

21 Sec. 35. Section 6, Initiative Law 2020, No. 430, is amended to
22 read:

23 Sec. 6. The commission Nebraska Gaming Commission shall:

24 (1) License and regulate authorized gaming operators for the
25 operation of all games of chance authorized pursuant to the Nebraska
26 Racetrack Gaming Act, including adopting, promulgating, and enforcing
27 rules and regulations governing such authorized gaming operators
28 consistent with the act;

29 (2) Regulate the operation of games of chance in order to prevent
30 and eliminate corrupt practices and fraudulent behavior, and thereby
31 promote integrity, security, and honest administration in, and accurate

1 accounting of, the operation of games of chance which are subject to the
2 act;

3 (3) Establish criteria to license applicants for authorized gaming
4 operator licenses and all other types of gaming licenses for other
5 positions and functions incident to the operation of games of chance,
6 including adopting, promulgating, and enforcing rules, regulations, and
7 eligibility standards for such authorized gaming operator licenses,
8 gaming licenses, and positions and functions incident to the operation of
9 games of chance;

10 (4) Charge fees for applications for licenses and for the issuance
11 of authorized gaming operator licenses and all other types of gaming
12 licenses to successful applicants which shall be payable to the
13 commission ~~Nebraska Gaming Commission~~;

14 (5) Charge fees to authorized gaming operators in an amount
15 necessary to offset the cost of oversight and regulatory services to be
16 provided which shall be payable to the commission ~~Nebraska Gaming~~
17 ~~Commission~~;

18 (6) Impose a one-time authorized gaming operator license fee of one
19 million dollars on each authorized gaming operator for each licensed
20 racetrack enclosure payable to the commission ~~Nebraska Gaming Commission~~;

21 (7) Grant, deny, revoke, and suspend authorized gaming operator
22 licenses and all other types of gaming licenses based upon reasonable
23 criteria and procedures established by the commission to facilitate the
24 integrity, productivity, and lawful conduct of gaming within the state;

25 (8) Grant or deny for cause applications for authorized gaming
26 operator licenses of not less than twenty years in duration with no more
27 than one such authorized gaming operator license granted for any licensed
28 racetrack enclosure within the state;

29 (9) Conduct background investigations of applicants for authorized
30 gaming operator licenses and all other types of gaming licenses;

31 (10) Adopt and promulgate rules and regulations for the standards of

1 manufacture of gaming equipment;

2 (11) Inspect the operation of any authorized gaming operator
3 conducting games of chance for the purpose of certifying the revenue
4 thereof and receiving complaints from the public;

5 (12) Issue subpoenas for the attendance of witnesses or the
6 production of any records, books, memoranda, documents, or other papers
7 or things at or prior to any hearing as is necessary to enable the
8 commission to effectively discharge its duties;

9 (13) Administer oaths or affirmations as necessary to carry out the
10 act;

11 (14) Have the authority to impose, subject to judicial review,
12 administrative fines not to exceed twenty-five thousand dollars for each
13 violation of the act or any rules and regulations adopted and promulgated
14 pursuant to the act;

15 (15) Collect and remit administrative fines collected under this
16 section to the State Treasurer for distribution in accordance with
17 Article VII, section 5, of the Constitution of Nebraska;

18 (16) Adopt and promulgate rules and regulations for any gaming taxes
19 assessed to authorized gaming operators;

20 (17) Collect and account for any gaming taxes assessed to authorized
21 gaming operators and remit such taxes to the State Treasurer or county
22 treasurer as required by Nebraska law;

23 (18) Promote treatment of gaming-related behavioral disorders;

24 (19) Establish procedures for the governance of the commission;

25 (20) Acquire necessary offices, facilities, counsel, and staff;

26 (21) Establish procedures for an applicant for a staff position to
27 disclose conflicts of interest as part of the application for employment;

28 and

29 (22) Establish a process to allow a person to be voluntarily
30 excluded from wagering in any game of chance under the act;

31 (23) Have the authority to issue directives without having to comply

1 with the Administrative Procedure Act relating to the adoption and
2 promulgation of rules and regulations;

3 (24) Remit all license and application fees collected under the
4 Nebraska Racetrack Gaming Act to the State Treasurer for credit to the
5 Racetrack Gaming Fund; and

6 (25) ~~(22)~~ Do all things necessary and proper to carry out its powers
7 and duties under the Nebraska Racetrack Gaming Act ~~aet~~, including the
8 adoption and promulgation of rules and regulations and such other actions
9 as permitted by the Administrative Procedure Act.

10 Sec. 36. The Racetrack Gaming Fund is created. The fund shall
11 consist of all license and application fees collected under the Nebraska
12 Racetrack Gaming Act. The fund shall be used for administration of the
13 Nebraska Racetrack Gaming Act. Any money in the Racetrack Gaming Fund
14 available for investment shall be invested by the state investment
15 officer pursuant to the Nebraska Capitol Expansion Act and the Nebraska
16 State Funds Investment Act.

17 Sec. 37. Any person applying for a gaming operator license pursuant
18 to the Nebraska Racetrack Gaming Act shall be subject to fingerprinting
19 and a check of such person's criminal history record information
20 maintained by the Identification Division of the Federal Bureau of
21 Investigation for the purpose of determining whether the commission has a
22 basis to deny the license application or to suspend, cancel, or revoke
23 the person's license. The applicant shall pay the actual cost of any
24 fingerprinting or check of such person's criminal history record
25 information.

26 Sec. 38. Credit cards shall not be accepted by any authorized
27 gaming operator for payment for any wager or to purchase coins, tokens,
28 or other forms of credit to be wagered on any game of chance. An account
29 for the purpose of participating in a game of chance under the Nebraska
30 Racetrack Gaming Act may only be funded with cash, coins, a debit card,
31 or a direct link to an account with a financial institution in the name

1 of the player.

2 Sec. 40. (1) Any person who knowingly cheats at any game of chance
3 is guilty of a Class I misdemeanor.

4 (2) Any person who manipulates, with the intent to cheat, any
5 component of a gaming device in a manner contrary to the designed and
6 normal operational purpose of the component, including varying the pull
7 of the handle of a gaming machine, with knowledge that the manipulation
8 affects the outcome of the game or with knowledge of any event that
9 affects the outcome of the game, is guilty of a Class I misdemeanor.

10 Sec. 41. (1) Any person who, in playing any game of chance designed
11 to be played with or to receive or to be operated by tokens approved by
12 the commission or by lawful currency of the United States, knowingly uses
13 tokens other than those approved by the commission, uses currency that is
14 not lawful currency of the United States, or uses currency not of the
15 same denomination as the currency intended to be used in that game is
16 guilty of a Class I misdemeanor.

17 (2) Any person who knowingly has in such person's possession within
18 a gaming facility any device intended to be used to violate the Nebraska
19 Racetrack Gaming Act is guilty of a Class I misdemeanor.

20 (3) Any person, other than a duly authorized employee of an
21 authorized gaming operator acting in furtherance of such person's
22 employment within a gaming facility, who knowingly has in such person's
23 possession within a gaming facility any key or device known by such
24 person to have been designed for the purpose of and suitable for opening,
25 entering, or affecting the operation of any game, any dropbox, or any
26 electronic or mechanical device connected to the game or dropbox, is
27 guilty of a Class I misdemeanor.

28 (4) Any person who knowingly and with intent to use any
29 paraphernalia for manufacturing slugs for cheating or has such
30 paraphernalia in such person's possession is guilty of a Class I
31 misdemeanor. Possession of more than two items of the equipment,

1 products, or material described in subdivision (4)(a) or (b) of this
2 section permits a rebuttable presumption that the possessor intended to
3 use such paraphernalia for cheating. For purposes of this subsection,
4 paraphernalia for manufacturing slugs (a) means the equipment, products,
5 and materials that are intended for use or designed for use in
6 manufacturing, producing, fabricating, preparing, testing, analyzing,
7 packaging, storing, or concealing a counterfeit facsimile of tokens
8 approved by the commission or a lawful coin of the United States, the use
9 of which is unlawful pursuant to the Nebraska Racetrack Gaming Act, and
10 (b) includes: (i) Lead or lead alloy; (ii) molds, forms, or similar
11 equipment capable of producing a likeness of a gaming token or coin;
12 (iii) melting pots or other receptacles; (iv) torches; and (v) tongs,
13 trimming tools, or other similar equipment.

14 Sec. 42. (1) A person who manufactures, sells, or distributes a
15 device that is intended by such person to be used to violate any
16 provision of the Nebraska Racetrack Gaming Act is guilty of a Class I
17 misdemeanor.

18 (2) A person who marks, alters, or otherwise modifies any gaming
19 device in a manner that (a) affects the result of a wager by determining
20 win or loss or (b) alters the normal criteria of random selection that
21 (i) affects the operation of a game of chance or (ii) determines the
22 outcome of a game of chance is guilty of a Class I misdemeanor.

23 (3) A person who knowingly possesses any gaming device that has been
24 manufactured, sold, or distributed in violation of the Nebraska Racetrack
25 Gaming Act is guilty of a Class I misdemeanor.

26 Sec. 43. A person who, in an application, book, or record required
27 to be maintained or in a report required to be submitted by the Nebraska
28 Racetrack Gaming Act, a rule or regulation adopted and promulgated by the
29 commission, or a directive issued by the commission, knowingly makes a
30 statement or entry that is false or misleading or fails to maintain or
31 make an entry the person knows is required to be maintained or made is

1 guilty of a Class I misdemeanor.

2 Sec. 44. (1) A person who knowingly permits an individual whom the
3 person knows is younger than twenty-one years of age to participate in a
4 game of chance is guilty of a Class I misdemeanor.

5 (2) A person who participates in a game of chance when such person
6 is younger than twenty-one years of age at the time of participation is
7 guilty of a Class I misdemeanor.

8 Sec. 45. A person who willfully violates, attempts to violate, or
9 conspires to violate any of the provisions of the Nebraska Racetrack
10 Gaming Act for which no other penalty is provided is guilty of a Class I
11 misdemeanor.

12 Sec. 46. Section 2, Initiative Law 2020, No. 431, is amended to
13 read:

14 Sec. 2. For purposes of this act and section 47 of this act:

15 (1) Authorized gaming operator means a person or entity licensed
16 pursuant to the Nebraska Racetrack Gaming Act to operate games of chance
17 within a licensed racetrack enclosure;

18 (3) (2) Dollar amount collected means the total dollar amount
19 wagered by players of games of chance less the total dollar amount
20 returned to such players as prizes;

21 (4) (3) Game of chance means any game which has the elements of
22 chance, prize, and consideration, including any wager on a slot machine,
23 table game, counter game, or card game. Game of chance does not include
24 any game the operation of which is prohibited at a casino by federal law;

25 (5) (4) Gaming commission means the State Racing and Nebraska Gaming
26 Commission established pursuant to the Nebraska Racetrack Gaming Act;

27 (6) (5) Gross gaming revenue means the dollar amount collected by an
28 authorized gaming operator from operation of all games of chance within a
29 licensed racetrack enclosure as computed pursuant to applicable statutes,
30 rules, and regulations less the total of (a) all federal taxes, other
31 than income taxes, imposed on the operation of such games of chance and

1 (b) the amount provided to players by an authorized gaming operator as
2 promotional gaming credits, but only to the extent such promotional
3 gaming credits are redeemed by players to play one or more games of
4 chance being operated by the authorized gaming operator;

5 (7) ~~(6)~~ Licensed racetrack enclosure means a premises at which
6 licensed live horseracing is conducted in accordance with the
7 Constitution of Nebraska and applicable Nebraska law; ~~and~~

8 (8) ~~(7)~~ Promotional gaming credit means a credit, token, or other
9 item of value provided by an authorized gaming operator to a player for
10 the purpose of enabling the player to play a game of chance; ~~and~~ -

11 Sec. 47. (1) If any person liable to pay any tax or fee under the
12 Nebraska Racetrack Gaming Act or sections 1 to 9 of Initiative Law 2020,
13 No. 431, neglects or refuses to pay such tax or fee after demand, the
14 amount of such tax or fee, including any interest, penalty, and additions
15 to such tax, and such additional costs that may accrue, shall be a lien
16 in favor of the gaming commission upon all property and rights to
17 property, whether real or personal, then owned by such person or acquired
18 by such person thereafter and prior to the expiration of the lien. Unless
19 another date is specifically provided by law, such lien shall arise at
20 the time of the assessment and shall remain in effect: (a) For three
21 years from the time of the assessment or one year after the expiration of
22 an agreement between the gaming commission and a taxpayer for payment of
23 tax which is due, whichever is later, if the notice of lien is not filed
24 for record in the office of the appropriate filing officer; (b) for ten
25 years from the time of filing for record in the office of the appropriate
26 filing officer; or (c) until such amounts have been paid or a judgment
27 against such person arising out of such liability has been satisfied or
28 has become unenforceable by reason of lapse of time, unless a
29 continuation statement is filed prior to the lapse.

30 (2)(a) The gaming commission may present for filing or file for
31 record in the office of the appropriate filing officer a notice of lien

1 specifying the year the tax was due, the tax program, and the amount of
2 the tax and any interest, penalty, or addition to such tax that are due.
3 Such notice shall be filed for record in the office of the appropriate
4 filing officer within three years after the time of assessment or within
5 one year after the expiration of an agreement between the gaming
6 commission and a taxpayer for payment of tax which is due, whichever is
7 later. Such notice shall contain the name and last-known address of the
8 taxpayer, the last four digits of the taxpayer's social security number
9 or federal identification number, the gaming commission's serial number,
10 and a statement to the effect that the gaming commission has complied
11 with all provisions of the Nebraska Racetrack Gaming Act and sections 1
12 to 9 of Initiative Law 2020, No. 431, in the determination of the amount
13 of the tax and any interest, penalty, and addition to such tax required
14 to be paid.

15 (b) If the assets of the taxpayer are in the control or custody of
16 the court in any proceeding before any court of the United States or of
17 any state or the District of Columbia, before the end of the time period
18 in subdivision (2)(a) of this section, the notice shall be filed for
19 record within the time period or within six months after the assets are
20 released by the court, whichever is later.

21 (3)(a) A lien imposed upon real property pursuant to the Uniform
22 State Tax Lien Registration and Enforcement Act shall be valid against
23 any subsequent creditor when notice of such lien and the amount due has
24 been presented for filing by the gaming commission in the office of the
25 Secretary of State and filed in the office of the register of deeds. A
26 lien imposed upon personal property pursuant to the Uniform State Tax
27 Lien Registration and Enforcement Act shall be valid against any
28 subsequent creditor when notice of such lien and the amount due has been
29 filed by the gaming commission in the office of the Secretary of State.

30 (b) In the case of any prior mortgage on real property or secured
31 transaction covering personal property so written as to secure a present

1 debt and future advances, the lien provided in this section, when notice
2 thereof has been filed in the office of the appropriate filing officer,
3 shall be subject to such prior lien unless the gaming commission has
4 notified the lienholder in writing of the recording of such tax lien, in
5 which case the lien of any indebtedness thereafter created under such
6 mortgage or secured transaction shall be junior to the lien provided for
7 in this section.

8 (4) The lien may, within ten years from the date of filing for
9 record of the notice of lien in the office of the appropriate filing
10 officer, be extended by filing for record a continuation statement. Upon
11 timely filing of the continuation statement, the effectiveness of the
12 original notice shall be continued for ten years after the last date to
13 which the filing was effective. After such period the notice shall lapse
14 in the manner prescribed in subsection (1) of this section unless another
15 continuation statement is filed prior to such lapse.

16 (5) When a termination statement of any tax lien issued by the
17 gaming commission is filed in the office where the notice of lien is
18 filed, the appropriate filing officer shall enter such statement with the
19 date of filing in the state tax lien index where notice of the lien so
20 terminated is entered and shall file the termination statement with the
21 notice of the lien.

22 (6) The gaming commission may at any time, upon request of any party
23 involved, release from a lien all or any portion of the property subject
24 to any lien provided for in the Uniform State Tax Lien Registration and
25 Enforcement Act or subordinate a lien to other liens and encumbrances if
26 the gaming commission determines that (a) the tax amount and any
27 interest, penalties, and additions to such tax have been paid or secured
28 sufficiently by a lien on other property, (b) the lien has become legally
29 unenforceable, (c) a surety bond or other satisfactory security has been
30 posted, deposited, or pledged with the gaming commission in an amount
31 sufficient to secure the payment of such taxes and any interest,

1 penalties, and additions to such taxes, or (d) the release, partial
2 release, or subordination of the lien will not jeopardize the collection
3 of such taxes and any interest, penalties, and additions to such taxes.

4 (7) A certificate by the gaming commission stating that any property
5 has been released from the lien or the lien has been subordinated to
6 other liens and encumbrances shall be conclusive evidence that the
7 property has in fact been released or the lien has been subordinated
8 pursuant to the certificate.

9 Sec. 48. Section 5, Initiative Law 2020, No. 431, is amended to
10 read:

11 Sec. 5. Every authorized gaming operator subject to taxation as set
12 forth in this act and section 47 of this act shall pay such tax and make
13 report thereof to the gaming commission under such rules and regulations
14 as may be prescribed by the gaming commission.

15 Sec. 49. Section 6, Initiative Law 2020, No. 431, is amended to
16 read:

17 Sec. 6. If the tax provided for in this act and section 47 of this
18 act is not paid within such time as may be prescribed for payment thereof
19 by rules and regulations prescribed by the gaming commission, the same
20 shall become delinquent and a penalty of ten percent shall be added
21 thereto, together with interest at the rate specified in section
22 45-104.02, as such rate may from time to time be adjusted, until paid.

23 Sec. 50. Section 7, Initiative Law 2020, No. 431, is amended to
24 read:

25 Sec. 7. Any authorized gaming operator that willfully fails,
26 neglects, or refuses to make any report required by this act and section
27 47 of this act, or by rules and regulations adopted and promulgated under
28 this act and section 47 of this act, or that knowingly makes any false
29 statement in any such report, is guilty of a Class I ~~IV~~ misdemeanor.

30 Sec. 51. Original sections 2-1201.01, 2-1202, 2-1203.02, 2-1204,
31 2-1207.01, 2-1208.03, 2-1208.04, 2-1209, 2-1211, 2-1213, 2-1215, 2-1217,

1 2-1219, 2-1224, 2-1225, 2-1244, 2-1246, 2-1247, 9-607, 9-646.01, and
2 9-651, Reissue Revised Statutes of Nebraska, sections 2-1201, 2-1203,
3 2-1207, 2-1208, 2-1216, 2-1221, 2-1222, and 9-601, Revised Statutes
4 Cumulative Supplement, 2020, section 2-1203.01, Revised Statutes
5 Cumulative Supplement, 2018, as amended by section 7, Initiative Law
6 2020, No. 430, sections 1, 3, 5, and 6, Initiative Law 2020, No. 430, and
7 sections 2, 5, 6, and 7, Initiative Law 2020, No. 431, are repealed.

8 Sec. 52. Since an emergency exists, this act takes effect when
9 passed and approved according to law.