

Senate Bill 264

By: Senators Beach of the 21st, Jones of the 25th, Harbison of the 15th, Sims of the 12th, Jones II of the 22nd and others

A BILL TO BE ENTITLED
AN ACT

To amend Title 50 of the Official Code of Georgia Annotated, relating to state government, so as to provide for parimutuel wagering on horse racing; to provide for definitions; to provide for conditions for horse racing and parimutuel wagering; to provide for the regulation and operation of horse racing and parimutuel wagering; to provide for licensing of facilities and persons participating in horse racing and parimutuel wagering; to adopt the Interstate Compact on Licensure of Participants in Live Racing with Parimutuel Wagering; to prohibit certain conduct; to provide for penalties; to provide for related matters; to provide a contingent effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended by adding a new chapter to read as follows:

"CHAPTER 39
ARTICLE 1

50-39-1.

(a) Horse racing with parimutuel wagering as licensed in this chapter shall be permitted in the State of Georgia for the promotion, sustenance, and growth of the equine industry in a manner consistent with the health, safety, and welfare of the people. The Division of Horse Racing of the Georgia Lottery Corporation is vested with control of all horse racing with parimutuel wagering in the State of Georgia with plenary power to prescribe regulations and conditions under which such racing and wagering shall be conducted so as to maintain horse racing in this state of the highest quality and free of any corrupt, incompetent, dishonest, or unprincipled practices and to maintain in such racing complete

honesty and integrity. Such division shall encourage participation by local individuals and businesses in those activities associated with horse racing.

(b) The conduct of any horse racing with parimutuel wagering, participation in such racing or wagering, and entrance to any place where such racing or wagering is conducted is a privilege which may be granted or denied by the Division of Horse Racing or its duly authorized representatives in its discretion in order to effectuate the purposes set forth in this chapter.

(c) The award of any money for any parimutuel wager placed at a racetrack or satellite facility licensed by the Division of Horse Racing shall not be deemed to be a violation of Article 2 of Chapter 12 of Title 16.

50-39-2.

Unless another meaning is required by the context, as used in this chapter, the term:

(1) 'Advance deposit account wagering' means a method of parimutuel wagering conducted in this state that is permissible under the federal Interstate Horse Racing Act of 1978, 15 U.S.C. Section 3001, et seq., and in which an individual may establish an account with an entity licensed by the division to place parimutuel wagers in person or electronically.

(2) 'Breakage' means the odd cents portion of a parimutuel pool which is computed by rounding down to the nearest multiple of 10¢ and which is not distributed to the contributors or withheld by the licensee as takeout.

(3) 'Dependent' means a son, daughter, father, mother, brother, sister, or other person, whether or not related by blood or marriage, if such person receives from an officer or employee more than one-half of his or her financial support.

(4) 'Division' means the Division of Horse Racing of the Georgia Lottery Corporation.

(5) 'Drug' means:

(A) Articles or substances recognized in the official United States Pharmacopoeia National Formulary or official Homeopathic Pharmacopoeia of the United States or any supplement to any of them;

(B) Articles or substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or animals;

(C) Articles or substances, other than food, intended to affect the structure or any function of the body of humans or animals; and

(D) Articles or substances intended for use as a component of any article or substance specified in subparagraph (A), (B), or (C) of this paragraph.

Such term shall not include devices or their components, parts, or accessories. The division shall by regulation define and designate those drugs the use of which is prohibited or restricted.

(6) 'Enclosure' means all areas of the property of a track as established by the racetrack licensee and any additional areas designated by the division.

(7) 'Georgia Breeders Funds' means the fund or funds established to foster the industry of breeding race horses in the State of Georgia.

(8) 'Handle' means the total amount of all parimutuel wagering sales, excluding refunds and cancellations.

(9) 'Horse racing' or 'horse race' means a competition on a set course involving a race between horses on which parimutuel wagering is permitted under the terms and conditions established by the division.

(10) 'Horseman' means any person who owns a 10 percent or greater interest in a race horse and is actively engaged in horse racing.

(11) 'Immediate family' means a spouse and any other person residing in the same household as an officer or employee, who is a dependent of such officer or employee, or of whom such officer or employee is a dependent.

(12) 'Licensee' includes any person holding a license issued pursuant to this chapter.

(13) 'Member' includes any person designated as a member of a nonstock corporation and any person who, by means of a pecuniary or other interest in such corporation, exercises the power of a member.

(14) 'Parimutuel wagering' means the system of wagering on horse races in which those who wager on horses that finish in the position or positions for which wagers are taken share in the total amounts wagered, plus any amounts provided by a racetrack licensee, less deductions required or permitted by law and includes parimutuel wagering on simulcast horse racing originating within the State of Georgia or from any other jurisdiction.

(15) 'Participant' means any person who:

(A) Has an ownership interest in any horse entered to race in this state;

(B) Acts as the trainer, jockey, or driver of any horse entered to race in this state; or

(C) Takes part in any horse racing subject to the jurisdiction of the division or in the conduct of a race meeting or parimutuel wagering thereon, including, but not limited to, a horse owner, trainer, jockey, driver, groom, stable foreman, valet, veterinarian, agent, parimutuel employee, concessionaire or employee thereof, track employee, or other position the division deems necessary to regulate to ensure the integrity of horse racing in Georgia.

(16) 'Permit holder' includes any person holding a permit to participate in any horse racing subject to the jurisdiction of the division or in the conduct of a race meeting or parimutuel wagering thereon as provided in Code Section 50-39-24.

(17) 'Person' means any individual, group of individuals, firm, company, corporation, partnership, business, trust, association, or other legal entity.

(18) 'Pool' means the amount wagered during a race meeting or during a specified period thereof.

(19) 'Principal stockholder' means any person who individually or in concert with his or her spouse and immediate family members beneficially owns or controls, directly or indirectly, 5 percent or more of the stock of any person which is a licensee or who in concert with his or her spouse and immediate family members has the power to vote or cause the vote of 5 percent or more of any such stock. However, such term shall not include a broker-dealer registered under the federal Securities Exchange Act of 1934, as amended, which holds in inventory shares for sale on the financial markets for a publicly traded corporation holding, directly or indirectly, a license from the division.

(20) 'Race meeting' means the whole consecutive period of time during which horse racing with parimutuel wagering is conducted by a licensee which spans from the first day of the licensed racing calendar until the final racing day, including all days on which racing is not conducted within such period of time.

(21) 'Racetrack' or 'track' means an outdoor course located in the State of Georgia which is laid out for horse racing and is licensed by the division.

(22) 'Satellite facility' means all areas of the property at which simulcast horse racing is displayed for the purposes of parimutuel wagering and any additional areas designated by the division.

(23) 'Simulcast horse racing' means the dissemination, receipt, or display of broadcasts of the audio or video portion, or both, of horse races conducted by a licensed horse racetrack, whether such races are conducted within the State of Georgia or were conducted in any other jurisdiction, by satellite communication devices, television cables, telephone lines, or any other means for the purposes of conducting parimutuel wagering by patrons of a licensed horse racetrack, satellite facility, or advance deposit account wagering licensee. Simulcast horse racing received from outside this state shall have been licensed and regulated as parimutuel horse racing by the regulatory authority in the state, territory, or country from which it is broadcast.

(24) 'Steward' means a racing official, duly appointed by the division or the racetrack licensee, with powers and duties prescribed by division regulations.

(25) 'Stock' includes all classes of stock, partnership interest, membership interest, or similar ownership interest of an applicant or licensee and any debt or other obligation of

such person or an affiliated person if the division finds that the holder of such interest or stock derives therefrom such control of or voice in the operation of the applicant or licensee that he or she should be deemed an owner of stock.

(26) 'Takeout' means the percentage of the parimutuel pools deducted by the racetrack prior to the distribution of the pool.

50-39-3.

The board of the Georgia Lottery Corporation shall appoint a director of the division who shall manage the day-to-day operations of the division. Such director shall be selected and hired based solely upon his or her professional qualifications and merits for such position and shall be subject to confirmation by the Senate. The director shall have not less than ten years of industry experience in horse racing or the regulation of horse racing.

50-39-4.

The division shall be represented in all legal matters by the Attorney General. The division may retain outside counsel where appropriate.

50-39-5.

No employee of the division and no spouse or immediate family member of any such employee shall have any financial interest, direct or indirect, in any horse racetrack, satellite facility, or operation incident thereto subject to the provisions of this chapter or in any entity which has submitted an application for a license under this chapter or in the operation of any such track or satellite facility within the State of Georgia or in the operation of any wagering authorized under this chapter. No employee of the division and no spouse or immediate family member of any such employee shall participate as owner of a horse or otherwise as a contestant in any race subject to the jurisdiction of the division or have any pecuniary interest in the purse or prize contested for in any such race.

50-39-6.

The division shall have all powers and duties necessary to carry out the provisions of this chapter and to exercise the control of horse racing as set forth in Code Section 50-39-1. Such powers and duties shall include, but shall not be limited to, the following:

(1) The division is vested with jurisdiction and supervision over all horse racing licensed under the provisions of this chapter, including all persons conducting, participating in, or attending any race meeting. It shall employ such persons to be present at race meetings as are necessary to ensure that they are conducted with order and the highest degree of integrity. It may eject or exclude from the enclosure or from any part thereof

any person, whether or not he or she possesses a license or permit, whose conduct or reputation is such that his or her presence may, in the opinion of the division, reflect adversely on the honesty and integrity of horse racing or interfere with the orderly conduct of horse racing;

(2) The division, its representatives, and employees shall visit, investigate, and have free access to the office, track, facilities, satellite facilities, or other places of business of any licensee or permit holder and may compel the production of any of the books, documents, records, or memoranda of any licensee or permit holder for the purpose of satisfying itself that this chapter and its regulations are strictly complied with. In addition, the division may require the production of an annual balance sheet and operating statement of any person licensed or granted a permit pursuant to the provisions of this chapter and may require the production of any contract to which such person is or may be a party;

(3) The division shall promulgate rules and regulations and conditions under which horse racing with parimutuel wagering shall be conducted in the State of Georgia and all such other regulations it deems necessary and appropriate to effect the purposes of this chapter, including a requirement that licensees post, in a conspicuous place in every place where parimutuel wagering is conducted, a sign which bears a toll-free telephone number for Gamblers Anonymous or other organization which provides assistance to compulsive gamblers. Nothing in this paragraph shall be deemed to preclude private local ownership or participation in any horse racetrack. Such regulations may include penalties for violations. The rules and regulations shall be promulgated pursuant to the provisions of Chapter 13 of this title, the 'Georgia Administrative Procedure Act';

(4) The division shall promulgate rules and regulations and conditions under which simulcast horse racing shall be conducted at a licensed horse racetrack, advance deposit account wagering license holder, or satellite facility in the State of Georgia and all such other regulations it deems necessary and appropriate to effect the purposes of this chapter. Such regulations shall include provisions that all simulcast horse racing shall comply with the federal Interstate Horse Racing Act of 1978, 15 U.S.C. Section 3001, et seq., and the rules and regulations of the division and the jurisdiction from which simulcast horse racing is received. Such regulations may authorize any number, not to exceed 15, of satellite facilities at such locations as approved by the division. Except as authorized pursuant to paragraph (5) of this Code section, wagering on simulcast horse racing shall take place only at a licensed horse racetrack or a satellite facility of a licensed horse racetrack; the division director shall appoint an architectural review committee to oversee the design, construction, and finish of any satellite facility operating under this provision. Notwithstanding any provision of law to the contrary, the total square footage of any facility shall be not less than 5,000 square feet and not more than 30,000 square feet;

(5) The division shall promulgate rules and regulations and conditions regulating and controlling advance deposit account wagering within the State of Georgia. Such regulations shall include, but shall not be limited to, standards, qualifications, and procedures for the issuance of a license to any such entity or entities pursuant to Code Section 50-39-12 involved in the conduct of advance deposit account wagering in the State of Georgia; provisions regarding access to books, records, and memoranda and submission to investigations and audits, as authorized by paragraphs (2) and (10) of this Code section; and provisions regarding the collection of all revenues due to the State of Georgia from the placing of such wagers. A license to conduct advance deposit account wagering shall only be issued to a racetrack owner or a racetrack owner's designee with experience operating an advance deposit account wagering business with average wagering volume of not less than \$1 billion annually over the past five consecutive years prior to licensure. Any contract between a racetrack owner and such a designee shall be subject to approval by the division prior to licensure of such designee. No parimutuel wager may be made on or with any computer owned or leased by the State of Georgia or any of its political subdivisions, at any public elementary or secondary school in this state, or owned or leased by any public college, university, or technical school in this state. The division shall also ensure that, except for this method of parimutuel wagering, all wagering on simulcast horse racing shall take place only at a licensed horse racetrack or satellite facility. Nothing in this paragraph shall be construed to limit the division's authority set forth elsewhere in this Code section;

(6) The division may issue subpoenas for the attendance of witnesses before it, administer oaths, and compel production of records or other documents and testimony of such witnesses whenever, in the judgment of the division, it is necessary to do so for the effectual discharge of its duties;

(7) The division may compel any person holding a license or permit to file with the division such data as shall appear to the division to be necessary for the performance of its duties, including, but not limited to, financial statements and information relative to stockholders and all others with any pecuniary interest in such person. It may prescribe the manner in which books and records of such persons shall be kept;

(8) The division may enter into arrangements with any foreign or domestic government or governmental agency for the purposes of exchanging information, engaging in reciprocal licensure, or performing any other act to better ensure the proper conduct of horse racing;

(9) The division shall provide a report annually on or before April 15 to the Governor and the General Assembly which shall include a financial statement of the operation of the division;

(10) The division may order such audits, in addition to those required by Code Section 50-39-30, as it deems necessary and desirable and, if necessary, contract with outside auditors with the experience in handling audits involving parimutuel wagering operations;

(11) The division shall upon the receipt of a complaint of an alleged criminal violation of this chapter immediately report the complaint to local law enforcement, the Attorney General, and the Georgia Bureau of Investigation for appropriate action;

(12) The division shall provide for the withholding of the applicable amount of state and federal income tax of persons claiming a prize or payoff for a winning wager and shall establish the thresholds for such withholdings;

(13) The division and its representatives and employees may, within the enclosure, stable, or other facility related to the conduct of racing and during regular or usual business hours, subject:

(A) Any permit holder to personal inspections, including alcohol and illegal drug testing, inspections of personal property, and inspections of other property or premises under the control of such permit holder which shall include barns, stables, vehicles, and other property within the control of the permit holder and used by the permit holder in the course of his or her business or activities related to the racing or training of horses or any other aspect of parimutuel horse racing; and

(B) Any horse eligible to race at a race meeting licensed by the division to testing for substances foreign to the natural horse within the racetrack enclosure or other place where such horse is kept.

Any item, document, or record indicative of a violation of any provision of this chapter or division rules and regulations may be seized as evidence of such violation. All permit holders shall be deemed to consent to the searches and seizures authorized by this paragraph, including breath, blood, and urine sampling for alcohol and illegal drugs, by accepting the permit issued by the division. The division may revoke or suspend the permit or license of any person who fails or refuses to comply with this paragraph or any rules and regulations of the division;

(14) The division shall require the existence of a contract between the racetrack licensee and the recognized majority horseman's group providing for the payment purses and prizes on horse racing conducted by the licensee. The division shall have the authority to promulgate rules for the formation, conduct, and verification of any organization claiming to be a majority horseman's group. Any contract between a licensee and a majority horseman's group shall be subject to the approval of the division not less than 90 days prior to the commencement of the racing meet of the licensee. The division shall have the power to approve or disapprove any of its items within the contract, including,

but not limited to, the provisions regarding expenses related to the administration of the horseman's group and the purses and prizes paid on horse racing pursuant to the agreement;

(15) Notwithstanding the provisions of Code Section 50-39-28, the division may grant provisional licenses to own or operate the racetrack or a satellite facility to an applicant prior to the applicant securing the approval through the local referendum required by Code Section 50-39-28. The provisional licenses issued by the division shall only become effective upon the approval of the racetrack or satellite wagering facility in a referendum conducted pursuant to Code Section 50-39-28 in the jurisdiction in which the racetrack or satellite wagering facility is to be located; and

(16) The division shall have plenary authority throughout the State of Georgia to investigate and prosecute the conduct of horse racing of any kind which does not comply with the provisions of this chapter and the rules of the division.

50-39-7.

(a) The director of the division shall appoint such other employees as he or she deems essential to perform its duties under this chapter who shall possess such authority and perform such duties as the division shall prescribe or delegate to them. Such employees may include stewards, chemists, veterinarians, inspectors, accountants, guards, and such other employees deemed by the division to be necessary for the supervision and the proper conduct of the highest standard of horse racing. Such employees shall be compensated as provided by the division.

(b) Neither the director nor the spouse or any member of the immediate family of the director shall make any contributions to a candidate for office or office holder at the local or state level or cause such a contribution to be made on his or her behalf.

(c) The stewards shall act as racing officials to oversee the conduct of horse racing at licensed racetracks. The stewards shall enforce the division's rules and regulations and the provisions of this chapter and shall have authority to interpret the division's rules and regulations and to decide all questions of racing not specifically covered by the rules and regulations of the division. Nothing in this subsection shall limit the authority of the division to carry out the provisions of this chapter and to exercise control of horse racing as set forth in Code Section 50-39-1, including the power to review all decisions and rulings of the stewards.

50-39-8.

All moneys and revenues received by the division under this chapter shall be placed in a special fund known as the State Racing Operations Fund. Notwithstanding any other

provision of law to the contrary, interest earned from moneys in the State Racing Operations Fund shall accrue to the benefit of such fund. The total costs for the operation and administration of the division shall be funded from the State Racing Operations Fund and shall be in such amount as provided by the General Assembly in the General Appropriations Act for each fiscal year.

50-39-9.

(a) The division shall fingerprint and require a background investigation to include a criminal history record information check of the following persons to be conducted by a representative of a law enforcement agency of the State of Georgia:

(1) Every person licensed to hold race meetings within the State of Georgia;

(2) Every person who is an officer or director or principal stockholder of a corporation which holds such a license and every employee of the holder of any such license whose duties relate to the horse racing business in Georgia;

(3) All security personnel of any licensee;

(4) Employees of the division;

(5) All permit holders, owners, trainers, jockeys, drivers, apprentices, starters, stable employees, managers, agents, blacksmiths, veterinarians, and employees of any licensee or permit holder except as may be exempted by rule or regulation of the division; and

(6) Any person who actively participates in the racing activities of any licensee or permit holder.

(b) Notwithstanding the provisions of subsection (a) of this Code section, the division may, by rule or regulation, establish a procedure to recognize a license or permit issued by another state in which horse racing is authorized when the division in its discretion determines that the laws or requirements of the licensing authority for such state governing fingerprinting and background investigations are substantially the same as required under this chapter and division rules and regulations and that the applicant has not been convicted of a misdemeanor or felony as provided in subsection (c) of Code Section 50-39-26 and may waive the requirements for fingerprints and background investigations for permit holders participating in horse racing in nonsecure areas or nonracing activities.

50-39-10.

Any person aggrieved by a refusal of the division to issue any license or permit, the suspension or revocation of a license or permit, the imposition of a fine, or any other action of the division may seek review of such action in accordance with Chapter 13 of this title.

50-39-11.

Whenever it appears to the division that any person has violated or may violate any provision of this chapter or any regulation or final decision of the division, it may apply to the appropriate superior court for an injunction against such person. The order granting or refusing such injunction shall be subject to appeal as in other cases in equity.

50-39-12.

(a) No person shall construct, establish, or own a horse racetrack or satellite facility where parimutuel wagering is permitted unless he or she has obtained a racetrack owner's or satellite facility owner's license issued by the division in accordance with the provisions of this chapter, as appropriate. No person shall operate parimutuel wagering or conduct any race meeting at which wagering is permitted with his or her knowledge or acquiescence unless he or she has obtained a racetrack license or a satellite facility license issued by the division in accordance with the provisions of this chapter, as appropriate.

(b) The division, the Attorney General, and all law enforcement agencies of this state shall have jurisdiction over any person which solicits or accepts wagers of any kind on horse racing, including the ability to seek criminal, civil, and injunctive sanctions against the activity. This authority shall include the ability to seize and dispose of tangible and intangible assets, including domain names and other intellectual properties, used in the solicitation and acceptance of wagering on horse racing by unlicensed persons.

(c) No person to whom a racetrack owner's license or a satellite facility owner's license or a racetrack license or satellite facility license has been issued nor any officer, director, partner, or spouse or immediate family member thereof shall make any contribution to any candidate for public office or public office holder at the local or state level.

(d) No license issued under the provisions of this chapter shall be transferable.

50-39-13.

The division may at any time, in its discretion, authorize the racetrack licensee to transfer a portion of its race meeting or meetings from its own track or place for holding races to the track or place for holding races of any other organization or association licensed under this chapter upon the payment of any and all appropriate license fees. No such authority to transfer shall be granted without the express consent of the organization or association owning or leasing the track to which such transfer is made and unless the organization or association to which the transfer is made possesses a satellite facility license. For any such meeting, the licensee shall retain and pay from the pool the taxes as provided in Code Section 50-39-29.

50-39-14.

(a) Any person desiring to construct or own a horse racetrack or satellite facility where parimutuel wagering is permitted shall file with the division an application for a racetrack owner's license or satellite facility owner's license, as appropriate. Such application shall be filed at the time and place prescribed by the division and shall be in such form and contain such information as prescribed by the division, including, but not limited to, the following:

(1) The name and address of such person; if a corporation, the state of its incorporation, the full name and address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to do business in this state; and, if a partnership or joint venture, the name and address of each officer thereof;

(2) The name and address of each stockholder or member of such corporation who has or controls a 5 percent or greater ownership or security interest or each partner of such partnership or joint venture who has or controls a 5 percent or greater ownership or security interest and of each person who has contracted for a pecuniary interest in the applicant or the enclosure where race meetings or parimutuel wagering will be conducted, whether such interest is an ownership or a security interest, the nature and value of such interest, and the name and address of each person who has agreed to lend money to the applicant;

(3) Such information as the division deems appropriate regarding the character, background, and responsibility of the applicant and the members, partners, stockholders, officers, and directors of the applicant;

(4) The location and description of the racetrack, place, or enclosure where such person proposes to hold such meetings or wagering, including the name of any county or municipality in which any property of such racetrack or satellite facility is or will be located. The division shall require such information about the enclosure and location of such track as it deems necessary and appropriate to determine whether it complies with the minimum standards provided in this chapter and whether the conduct of a race meeting or parimutuel wagering at such location would be in the best interests of the people of the State of Georgia;

(5) Such information relating to the financial responsibility of the applicant as the division deems appropriate;

(6) If any of the facilities necessary for the conduct of racing or parimutuel wagering are to be leased, the terms of such lease; and

(7) Any other information which the division in its discretion deems appropriate.

(b) Each application shall be verified by the oath or affirmation of an officer of the applicant and shall be accompanied by a nonrefundable application fee as determined by the division.

(c) Any person who knowingly makes a false statement to the division for the purposes of obtaining a license under this chapter shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than ten years or a fine not to exceed \$50,000.00, or both.

(d) No application for the horse racetrack license shall be considered unless the applicant and its management can demonstrate a successful history of operating not less than five horse racetracks and managing an average gross parimutuel wagering handle volume on horse racing of not less than \$2 billion per year over the past five years.

50-39-15.

(a) The division shall consider all applications for a racetrack owner's license and a satellite facility owner's license and may grant a valid racetrack owner's or satellite facility owner's license to applicants who meet the criteria set forth in this chapter and established by the division; provided, however, that the division shall have no more than three racetrack owner's licenses issued and in effect at any one time. The division shall deny a license to any applicant unless it finds that the applicant's facilities are or will be appropriate for the finest quality of racing and meet or will meet the minimum standards that any track provided for standardbred racing be at least five-eighths of a mile, that any dirt track provided for flat racing be at least one mile, and that any track provided for flat or jump racing on the turf be at least seven-eighths of a mile.

(b) The division shall deny a license to an applicant if it finds that for any reason the issuance of a license to the applicant would not be in the interest of the people of the State of Georgia or the horse racing industry in the State of Georgia or would reflect adversely on the honesty and integrity of the horse racing industry in the State of Georgia or that the applicant or any officer, partner, principal stockholder, or director of the applicant:

(1) Has knowingly made a false statement of material fact or has deliberately failed to disclose any information requested;

(2) Is or has been found guilty of any illegal, corrupt, or fraudulent act, practice, or conduct in connection with any horse racing in this or any other state or has been convicted of a felony;

(3) Has at any time knowingly failed to comply with the provisions of this chapter or of any rules or regulations of the division;

(4) Has had a license or permit to hold or conduct a horse race meeting denied for just cause, suspended, or revoked in any other state or country;

(5) Has legally defaulted in the payment of any obligation or debt due to the State of Georgia;

(6) Has constructed or caused to be constructed a racetrack or satellite facility for which a license was required under Code Section 50-39-14 without obtaining such license or has deviated substantially, without the permission of the division, from the plans and specifications submitted to the division; or

(7) Is not qualified to do business in Georgia or is not subject to the jurisdiction of the courts of the State of Georgia.

(c) The division shall deny a license to any applicant unless it finds that:

(1) The applicant is adequately capitalized;

(2) If the corporation is a stock corporation, such stock is fully paid and nonassessable and has been subscribed and paid for only in cash or property to the exclusion of past services;

(3) All principal stockholders or members have submitted to the jurisdiction of the courts of the State of Georgia and all nonresident principal stockholders or members have designated the director of the division as their agent for receipt of process; and

(4) The applicant meets the criteria established by the division for the granting of a racetrack owner's license or a satellite facility owner's license, as appropriate.

(d) In considering an application for a satellite facility, the division shall not award any license to an applicant unless the applicant produces an agreement with the holder of the racetrack license which provides for the equitable sharing of revenue between the racetrack owner licensee and the satellite facility. The terms of the agreement shall be subject to the review and approval by the division; however, the division does not have the authority to mandate the execution of an agreement by the racetrack owner.

50-39-16.

Notwithstanding the provisions of Code Section 50-39-28, the division may grant a permit, for a duration to be determined by the division, to the owner or operator of a standardbred, quarter horse, or steeplechase racing facility for the purpose of conducting parimutuel wagering on such race meetings at that facility for a period not to exceed 14 days in any calendar year, provided that, prior to making application for such license, the facility has an agreement with the racetrack owner licensee and has been sanctioned by the National Steeplechase Association, United States Trotting Association, or the American Quarter Horse Association and the owner or operator of such facility has been granted tax-exempt status under Section 501(c)(3) or (4) of the federal Internal Revenue Code. In deciding whether to grant any permit pursuant to this Code section, the division shall determine whether the issuance of such a permit is in the best interests of horse racing in the State of

484 Georgia or would cannibalize the operations of the racetrack owner licensee and shall also
485 consider the results of, circumstances surrounding, and issues involved in any referendum
486 conducted under the provisions of Code Section 50-39-28 and whether the division had
487 previously granted a permit to such facility, owner, or operator.

488 50-39-17.

489 No racetrack owner's license or satellite facility owner's license or renewal thereof shall be
490 granted to any corporation if the division finds that any principal stockholder of such stock
491 corporation or any member of such nonstock corporation:

492 (1) Is or has been guilty of any illegal, corrupt, or fraudulent act, conduct, or practice in
493 connection with horse racing in this or any other state or has knowingly failed to comply
494 with the provisions of this chapter or division rules and regulations;

495 (2) Has had a license or permit to hold or conduct a race meeting denied for cause,
496 suspended, or revoked in any other state or country; or

497 (3) Has at any time during the previous five years knowingly failed to comply with the
498 provisions of this chapter or any division rules and regulations.

499 50-39-18.

500 (a) A racetrack owner's license shall be for the period set by the division, not to be less
501 than 20 years, but shall be reviewed every three years. Licenses for advance deposit
502 account wagering and for the operation of a satellite facility issued under Code
503 Section 50-39-15 shall be for a period of five years but shall be reviewed annually. The
504 division shall designate on the license the duration of such license, the location of such
505 track or satellite facility or proposed track or satellite facility, and such other information
506 as it deems proper. The division shall establish criteria and procedures for license renewal.

507 (b) The division shall require a bond with surety or a letter of credit, acceptable to the
508 division and in an amount determined by it, to be sufficient to cover any indebtedness
509 incurred by the licensee to the State of Georgia.

510 50-39-19.

511 Any person desiring to hold a race meeting or operate a satellite facility shall file with the
512 division an application for a racetrack license or a satellite facility license, as appropriate.
513 Such application may be made in conjunction with an application for a racetrack owner's
514 license or a satellite facility owner's license, if appropriate. It shall be filed at the time and
515 place prescribed by the division and contain such information as prescribed by the division,
516 including all information prescribed for an owner's license under Code Section 50-39-14
517 and, in addition, the date the applicant wishes to conduct a race meeting. Any application

518 filed pursuant to this Code section shall be verified by the oath or affirmation of an officer
519 of the applicant and shall be accompanied by a nonrefundable application fee as determined
520 by the division.

521 50-39-20.

522 (a) The division shall promptly consider any application for an advance deposit account
523 wagering license and may grant such license to any applicant who meets the criteria set
524 forth in this chapter and established via rules by the division. The division shall deny a
525 license to any applicant unless it finds that:

526 (1) Such applicant is a corporation organized under Title 14 or comparable law of
527 another state and qualified to do business in Georgia;

528 (2) If the corporation is a stock corporation, all principal stockholders have submitted to
529 the jurisdiction of the courts of this state and all nonresident principal stockholders have
530 designated the director of the division as their agent for process, provided that an
531 application shall also contain information as required by Code Section 50-39-14;

532 (3) The applicant's articles of incorporation provide that the corporation may, on vote of
533 a majority of the stockholders or members, purchase at fair market value the entire
534 membership interest of any stockholder or require the resignation of any member who is
535 or becomes unqualified for such position under Code Section 50-39-17; and

536 (4) The applicant has made provisions satisfactory to the division for the detection and
537 prosecution of any illegal, corrupt, or fraudulent act, practice, or conduct in connection
538 with its parimutuel wagering, that the applicant has made provision for membership in
539 the Thoroughbred Racing Association or other equivalent applicable association, and that
540 the applicant shall utilize the services of the Thoroughbred Racing Protective Bureau or
541 any other protective agency acceptable to the division.

542 (b) No advance deposit account wagering license or renewal thereof shall be granted to
543 any corporation if the division finds that any principal stockholder of such stock
544 corporation or any member of such nonstock corporation:

545 (1) Is or has been guilty of any illegal, corrupt, or fraudulent act, conduct, or practice in
546 connection with horse racing in this or any other state or has knowingly failed to comply
547 with the provisions of this chapter or division rules and regulations;

548 (2) Has had a license or permit to conduct advance deposit account wagering denied for
549 cause, suspended, or revoked in any other state or country; or

550 (3) Has at any time during the previous five years knowingly failed to comply with the
551 provisions of this chapter or any division rules and regulations.

50-39-21.

The denial of an owner's license by the division shall be final unless appealed under Code Section 50-39-10.

50-39-22.

(a) After a hearing upon at least 15 days' notice, the division may suspend or revoke any license or fine the holder thereof a sum not to exceed \$100,000.00 in any case in which the division has reason to believe that any provision of this chapter, or any rule, regulation, or condition of the division, has not been complied with or has been violated. The division may revoke a license if it finds that facts not known by it at the time it considered the application indicate that such license should not have been issued.

(b) The division may revoke any license issued under Code Section 50-39-20 if the licensee, within two years of issuance of licensure, fails to commence its licensed activity in accordance with its license.

(c) The division may summarily suspend any license for a period of not more than 90 days pending a hearing and final determination by the division if the division determines that emergency action is required to protect the public health, safety, and welfare, including, but not limited to, revenues due the state, its political subdivisions, and the horsemen's purse account. The division shall schedule a hearing within 14 business days after the license is summarily suspended and notify the licensee not less than five business days before the hearing of the date, time, and place of the hearing.

(d) Deliberations of the division shall be conducted pursuant to the provisions of Chapter 14 of this title. If any such license is suspended or revoked, the division shall state its reasons for doing so, which shall be made a formal part of the record. Such action shall be final unless appealed in accordance with Code Section 50-39-10. Suspension or revocation of a license by the division for any violation shall not preclude criminal liability for such violation.

50-39-23.

(a) The division shall require any person desiring to become a partner, member, or principal stockholder of any licensee to apply to the division for approval thereof and may demand such information of the applicant as it finds necessary. The division shall consider such application forthwith and shall approve or deny the application within 60 days of receipt. The division shall approve an application that meets the criteria set forth in this chapter. The division shall deny an application if in its judgment the acquisition by the applicant would be detrimental to the public interest or to the honesty, integrity, and reputation of racing. The division shall approve an application to acquire actual control of

a licensee only if it finds that the applicant meets the criteria set forth in subsection (b) of this Code section.

(b) If an applicant proposes to acquire actual control of a licensee, such person shall, pursuant to subsection (a) of this Code section, submit to the division its proposal for the future operation of any existing or planned racetrack or satellite facility owned or operated by the licensee; such additional information as it desires; and such information as may be required by the division to assure the division that the licensee, under the actual control of such person, will have the experience, expertise, financial responsibility, and commitment to comply with the provisions of this chapter, division rules and regulations and orders, the requirements for the continued operation of the licensee pursuant to the terms and conditions in effect on the date of the application of all licenses held by the licensee, any existing contract with a recognized majority horseman's group, and any proposal submitted to the division by such person. The provisions of this subsection shall apply regardless of whether the control acquired is direct or indirect or whether its acquisition is accomplished individually or in concert with others.

(c) Any such acquisition of control without prior approval of the division shall be voidable by the division, and in such instance, the division may revoke any license it has issued to such licensee, order compliance with this Code section, or take such other action as may be appropriate within the authority of the division.

50-39-24.

(a) No participant shall engage in any horse racing or in the conduct of a race meeting or parimutuel wagering thereon, including, but not limited to, as a horse owner, trainer, jockey, driver, exercise rider, starter, groom, stable foreman, valet, veterinarian, agent, parimutuel employee, concessionaire or employee thereof, track employee, or other position the division deems necessary to regulate to ensure the integrity of horse racing in Georgia, unless such person possesses a permit therefor from the division and complies with the provisions of this chapter and all division rules and regulations. No permit issued under the provisions of this chapter shall be transferable.

(b) The division may waive the permit requirement for any person who possesses a valid permit or license to participate in the conduct of horse racing in another racing jurisdiction and participates in horse racing in Georgia on nonconsecutive racing days.

(c) Once a horse is entered to run in Georgia, all participants shall come under the jurisdiction of the division and its stewards and shall be subject to the rules and regulations of the division and sanctions it or its stewards may impose.

621 50-39-25.

622 (a) Any person desiring to obtain a permit or license as required by this chapter shall make
623 application therefor on a form prescribed by the division. The application shall be
624 accompanied by a fee prescribed by the division.

625 (b) Any application filed under this Code section shall be verified by the oath or
626 affirmation of the applicant.

627 50-39-26.

628 (a) The division shall promptly consider any application for a permit and issue or deny
629 such permit based on the information in the application and all other information before it,
630 including any investigation it deems appropriate. If an application for a permit is approved,
631 the division shall issue a permit which shall contain such information as the division deems
632 appropriate. Such permit shall be valid for one year; however, the permit of a licensee's
633 employee shall expire automatically when such permit holder leaves the employment of
634 the licensee or at the end of one year, whichever occurs first. The licensee shall promptly
635 notify the division when a permit holder leaves the employment of the licensee. The
636 division shall establish criteria and procedures for permit renewal.

637 (b) The division shall deny the application and refuse to issue the permit, which shall be
638 final unless an appeal is taken under Code Section 50-39-10, if it finds that the issuance of
639 such permit to such applicant would not be in the interests of the people of the State of
640 Georgia or the horse racing industry of the State of Georgia or would reflect adversely on
641 the honesty and integrity of the horse racing industry in the State of Georgia or that the
642 applicant:

643 (1) Has knowingly made a false statement of a material fact in the application or has
644 deliberately failed to disclose any information requested by the division;

645 (2) Is or has been found guilty of any corrupt or fraudulent practice or conduct in
646 connection with horse racing in this or any other state;

647 (3) Has knowingly failed to comply with the provisions of this chapter or the orders or
648 rules and regulations of the division;

649 (4) Has had a permit to engage in activity related to horse racing denied for just cause,
650 suspended, or revoked in any other state, and such denial, suspension, or revocation is
651 still in effect; or

652 (5) Is unqualified to perform the duties required for the permit sought.

653 (c) The division shall deny the application and refuse to issue the permit if, within the five
654 years immediately preceding the date of the application for the permit sought, the applicant
655 has been convicted of a crime involving the unlawful conduct of wagering, fraudulent use
656 of a credential, unlawful transmission of information, touting, bribery, administration or

possession of drugs, or any felony considered by the division to be detrimental to horse racing in the State of Georgia; the denial shall be final unless an appeal is taken under Code Section 50-39-10. Additionally, the division may deny the application and refuse to issue any permit if the applicant has been convicted of any such crime committed prior to the five years immediately preceding the date of the application.

(d) The division may refuse to issue the permit if for any reason it feels the granting of such permit is not consistent with the provisions of this chapter or its responsibilities thereunder.

50-39-27.

(a) The division, directly or acting by and through its stewards, may suspend or revoke a permit issued under this chapter or fine the holder of such permit a sum not to exceed \$10,000.00 or suspend a permit issued by this chapter and fine the holder of such permit a sum not to exceed \$10,000.00 after a hearing for which proper notice has been given to the permittee in any case where it determines by a preponderance of the evidence that any provision of this chapter or any rule, regulation, order, or condition of the division has not been complied with or has been violated. The division may revoke such permit, after such hearing, if it finds that facts not known by it at the time it was considering the application indicate that such permit should not have been issued. Deliberations of the division under this Code section shall be conducted pursuant to the provisions of Chapter 14 of this title. If any permit is suspended or revoked, the division shall state its reasons for doing so, which shall be entered on record. Such action shall be final unless an appeal is taken in accordance with Code Section 50-39-10. Suspension or revocation of a permit by the division for any violation shall not preclude criminal liability for such violation.

(b) The division, directly or acting by and through its stewards, may summarily suspend the permit of a person for a period of not more than 90 days pending a hearing and final determination by the division or its stewards if the division or its stewards determine that the protection of the integrity of horse racing requires emergency action. The division or its stewards shall schedule a hearing within 14 business days after the permit is summarily suspended and notify the permit holder, not less than five business days before the hearing, of the date, time, and place of the hearing.

50-39-28.

(a) The division shall not grant any initial license to construct, establish, operate, or own a racetrack or satellite facility until a referendum approving the question is held in each county or municipality in which such track or satellite facility is to be located in the following manner:

(1) The local governing authority approves a referendum; or

(2) A petition signed by 1 percent or 1,000, whichever is less, of the qualified electors of such county or municipality is filed with the election superintendent of such county or municipality asking that a referendum be held on either or both of the following questions:

(A) Whether horse racing and parimutuel wagering shall be permitted at a licensed racetrack in such county or municipality in accordance with this chapter; or

(B) Whether parimutuel wagering shall be permitted in such county or municipality at satellite facilities in accordance with this chapter.

(b)(1) A petition pursuant to paragraph (2) of subsection (a) of this Code section shall be in the form specified by the rules and regulations of the State Election Board. Each person signing such petition shall declare therein that he or she is a duly qualified and registered elector of the county or municipality and shall add to his or her signature his or her residence address, giving municipality, if any, and county, with street and number, if any, and be urged to add the person's date of birth which shall be used for verification purposes. No person shall sign the same petition more than once. The petition shall also contain at the top of each page a statement of the question or questions proposed to be submitted to the electors in accordance with this Code section. Each page shall bear on the bottom or lack thereof the affidavit of the circulator of such page, which shall be subscribed and sworn to by such circulator before a notary public and shall set forth his or her residence address, giving municipality with street and number, if any; that each signer manually signed his or her own name with full knowledge of the contents of the petition; and that, to the best of the affiant's knowledge and belief, the signers are registered electors of the county or municipality qualified to sign the petition, that their respective residences are correctly stated in the petition, and that they all reside in the county or municipality. No notary public shall sign the petition as an elector or serve as a circulator of any petition which he or she notarized. Any and all pages of a petition that have the circulator's affidavit notarized by a notary public who also served as a circulator of one or more pages of the petition or who signed one of the pages of the petition as an elector shall be disqualified and rejected.

(2) Following the filing of such petition, the election superintendent shall verify such petition within 90 days following its submission for verification. If such petition is found to contain a sufficient number of valid signatures of the qualified electors of the jurisdiction, the election superintendent shall call and conduct a special election in accordance with Chapter 2 of Title 21 to submit the referendum question or questions to the electors of the jurisdiction. Such election shall be on the next available day under Code Section 21-2-540 that is at least 60 days after the date on which the petition is

verified but shall not be later than the next general election unless such general election is within 60 days of the date on which the petition is verified.

(c) The election superintendent of such county or municipality shall publish notice of a referendum election under this Code section in the legal organ of the county or municipality once a week for three consecutive weeks immediately prior to such election notifying the electors of the jurisdiction of the date and purpose of such special election. Each ballot shall contain one or both of the following questions as requested in the petition or approved by the local governing authority:

'() YES Shall horse racing and parimutuel wagering shall be permitted in [name of county or municipality] at a licensed racetrack in accordance with Chapter 39 of Title 50 of the O.C.G.A.?'

'() YES Shall parimutuel wagering be permitted in [name of county or municipality] at satellite facilities in accordance with Chapter 39 of Title 50 of the O.C.G.A.?'

All persons desiring to vote for approval of a question shall vote 'Yes,' and all persons desiring to vote for rejection of a question shall vote 'No.' If more than one-half of the votes cast on a question are for approval, then such question shall be approved and the type of parimutuel wagering provided for in such question may be conducted in such county or municipality. If the question or questions are not so approved or if the election is not conducted as provided in this Code section, such question or questions shall not be approved. The expense of such election shall be borne by the county or municipality, as appropriate. It shall be the election superintendent's duty to certify the result thereof to the Secretary of State. No such referendum shall be held more often than every three years in the same county or municipality. A subsequent referendum shall be required if a license has not been granted by the division within five years of the certification of the special election approving a question.

50-39-29.

(a) Any person holding a license to operate a horse racetrack or satellite facility in the State of Georgia pursuant to this chapter shall be authorized to conduct parimutuel wagering on horse racing subject to the provisions of this chapter and the orders, conditions, and rules and regulations of the division.

(b) The racetrack licensee may establish the takeout for parimutuel pools on the live racing that it conducts which may vary depending on the type of wagering pool offered for a given race, and such takeout shall be the takeout for wagers in these pools offered throughout this state whether the wager is placed at the track, at a satellite facility, or via an advance

deposit account wagering permittee. The takeout for parimutuel pools on simulcast horse racing shall be those established by the out-of-state entity conducting the horse racing.

(c) After deducting the takeout and the breakage, a parimutuel pool shall be redistributed to the contributors.

(d) All breakage from parimutuel pools and the proceeds from parimutuel tickets which have not been redeemed within 180 days of the race on which the wager was placed shall be retained by the racetrack licensee in a segregated account and shall be used for capital expenditures and capital maintenance of the racetrack and its racing surface and stabling areas.

(e) There shall be the following allocation of the takeout, expressed as a percentage of the handle, of all parimutuel pools offered on races conducted by the racetrack licensee and on parimutuel pools on simulcast horse racing in this state:

(1) Five percent shall be used for purses on live races conducted at its facility;

(2) Three percent shall be paid by the racetrack licensee to the Georgia Lottery Corporation which shall use such funds for HOPE scholarships or need based scholarships, but such funds shall be separately accounted for;

(3) One percent shall be paid to the local governing authority attributed to all parimutuel wagering by patrons of the racetrack or satellite facility located within its jurisdiction;

(4) One-half of 1 percent shall be paid in conjunction with racing at its facility as breeders awards or awards to owners of registered Georgia bred horses as breeding incentives from the Georgia Breeders Funds in accordance with a plan approved by the division;

(5) One-tenth of 1 percent shall be allocated by the division to the University of Georgia College of Veterinary Medicine to be used solely for the promotion and growth of the equine racing and breeding industries in the State of Georgia; and

(6) The balance of the takeout shall be used to cover the racetrack's or satellite facility's operating expense.

(f) There is created the Georgia Breeders Funds, which, together with the interest thereon, shall be administered by the racetrack licensee. There shall be a specific fund for each breed of horse for which racing is authorized by the division and on which live racing is conducted by the racetrack licensee. The funds shall be disbursed by the racetrack licensee to the breeders of Georgia bred horses that win races at race meetings designated by the division, to the owners of Georgia sires of Georgia bred horses that win races at race meetings designated by the division, to the owners of Georgia bred horses that win or earn purse money in nonrestricted races conducted by the racetrack licensee, to the owners of Georgia bred horses that win races at race meetings designated by the division, and for purses for races restricted to Georgia bred or Georgia sired horses, or both, at race meetings

designated by the division. The distribution of funds shall be made in accordance with a plan prepared by the racetrack licensee and approved by the division. Such plan shall be submitted to the division for approval not less than 120 days prior to the commencement of the licensed racing meet. The division may solicit input from various breed registry organizations on the submitted plan prior to approval.

(g) Moneys payable to the State of Georgia shall be deposited in the general fund of the state treasury. Gross receipts for license tax or other tax purposes shall not include parimutuel wagering pools and license taxes authorized by this Code section.

(h) All payments by the licensee to the State of Georgia or any county or municipality shall be made at the end of every month via electronic funds transfer. All payments by the licensee to the University of Georgia College of Veterinary Medicine shall be made by the first day of each quarter of the calendar year and shall be used in support of the policy of the State of Georgia to sustain and promote the growth of a native industry.

(i) The horsemen's organizations representing a majority of the horsemen racing at a licensed race meeting may, subject to the approval of the division, withdraw for administrative costs associated with serving the interests of the horsemen an amount not to exceed 2 percent of the amount in the horsemen's account. Such amount for administration shall be subject to approval annually by the division of the proposed budget for the organization and its related costs of administration. The division may solicit input from the membership of the horsemen's association and from the racetrack license holder as to the proposed budget. Following its review, the division may, within its sole discretion, require the organization to impose a lesser amount for administration of the horsemen's organization.

50-39-30.

A regular post-audit shall be conducted of all accounts and transactions of the division. An annual audit of a fiscal and compliance nature of the accounts and transactions of the division shall be conducted by the state auditor on or before September 30 of each year. The cost of the annual audit and post-audit examinations shall be borne by the division.

50-39-31.

(a) In order to fund the operation of the division, the division shall establish annual permit fees for the following classes of individuals and entities:

(1) Individuals associated with owning or training horses for racing not to exceed \$100.00 per year;

(2) Individuals employed by racetracks, satellite facilities, or advance deposit account wagering operations not to exceed \$500.00 per year;

(3) Individuals employed by entities doing business with racetracks, satellite facilities, or advance deposit wagering account operations not to exceed \$500.00 per year;
(4) Racetracks not to exceed \$150,000.00 per year;
(5) Satellite facilities not to exceed \$15,000.00 per year;
(6) Advance deposit account wagering operations not to exceed \$150,000.00 per year;
(7) Business entities doing business with racetracks, satellite facilities, or advance deposit account wagering operations not to exceed \$5,000.00 per year; and
(8) Steeplechase, standardbred, or quarter horse racing facilities not to exceed \$15,000.00 per year.
(b) In establishing these fees, the division shall attempt to maintain the amount of fees collected annually from the permit holders at an amount equal to the cost of regulating the horse racing industry in Georgia. The division shall revisit permit categories and annual permit fees not less than every three years to ensure compliance with this subsection.

ARTICLE 2

50-39-40.

The Interstate Compact on Licensure of Participants in Live Racing with Parimutuel Wagering is enacted into law and entered into with all other jurisdictions legally joining therein in the form substantially as follows:

'ARTICLE I. Purposes. Section 1. Purposes.

The purposes of this compact are to: Establish uniform requirements among the party states for the licensing of participants in live racing with parimutuel wagering, and ensure that all such participants who are licensed pursuant to this compact meet a uniform minimum standard of honesty and integrity. Facilitate the growth of the parimutuel racing industry in each party state and nationwide by simplifying the process for licensing participants in live racing, and reduce the duplicative and costly process of separate licensing by the regulatory agency in each state that conducts live racing with parimutuel wagering. Authorize the Georgia Racing Division to participate in this compact. Provide for participation in this compact by officials of the party states, and permit those officials, through the compact committee established by this compact, to enter into contracts with governmental agencies and nongovernmental persons to carry out the purposes of this compact. Establish the compact committee created by this compact as an interstate governmental entity duly authorized to request and receive criminal history record information from the Federal Bureau of Investigation and other state and local law enforcement agencies.

870 ARTICLE II. Definitions. Section 2. Definitions.

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

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

876 "Participants in live racing" means participants in live racing with parimutuel wagering
877 in the party states.

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

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

881 ARTICLE III. Entry into Force, Eligible Parties, and Withdrawal. Section 3. Entry into
882 force.

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

887 Section 4. States eligible to join compact.

888 Any state that has adopted or authorized live racing with parimutuel wagering shall be
889 eligible to become party to this compact.

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

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

898 ARTICLE IV. Compact Committee. Section 6. Compact committee established.

899 There is hereby created an interstate governmental entity to be known as the "compact
900 committee," which shall be comprised of one official from the racing division or its
901 equivalent in each party state who shall be appointed, serve, and be subject to removal
902 in accordance with the laws of the party state he or she represents. Pursuant to the laws

903 of his or her party state, each official shall have the assistance of his or her state's racing
904 division or the equivalent thereof in considering issues related to licensing of participants
905 in live racing and in fulfilling his or her responsibilities as the representative from his or
906 her state to the compact committee. If an official is unable to perform any duty in
907 connection with the powers and duties of the compact committee, the racing division or
908 equivalent thereof from his or her state shall designate an alternate who shall serve in his
909 or her place and represent the party state as its official on the compact committee until
910 that racing division or equivalent thereof determines that the original representative
911 official is able once again to perform his or her duties as that party state's representative
912 official on the compact committee. The designation of an alternate shall be
913 communicated by the affected state's racing division or equivalent thereof to the compact
914 committee as the committee's bylaws may provide.

915 Section 7. Powers and duties of compact committee.

916 In order to carry out the purposes of this compact, the compact committee is hereby
917 granted the power and duty to: Determine which categories of participants in live horse
918 racing, including, but not limited to, owners, trainers, jockeys, grooms, mutuel clerks,
919 racing officials, veterinarians, and farriers, and which categories of equivalent
920 participants in dog racing and other forms of live racing with parimutuel wagering
921 authorized in two or more of the party states, should be licensed by the committee, and
922 establish the requirements for the initial licensure of applicants in each such category, the
923 term of the license for each category, and the requirements for renewal of licenses in each
924 category; provided, however, that with regard to requests for criminal history record
925 information on each applicant for a license, and with regard to the effect of a criminal
926 record on the issuance or renewal of a license, the compact committee shall determine for
927 each category of participants in live racing which licensure requirements for that category
928 are, in its judgment, the most restrictive licensure requirements of any party state for that
929 category and shall adopt licensure requirements for that category that are, in its judgment,
930 comparable to those most restrictive requirements. Investigate applicants for a license
931 from the compact committee and, as permitted by federal and state law, gather
932 information on such applicants, including criminal history record information from the
933 Federal Bureau of Investigation and relevant state and local law enforcement agencies,
934 and, where appropriate, from the Royal Canadian Mounted Police and law enforcement
935 agencies of other countries, necessary to determine whether a license should be issued
936 under the licensure requirements established by the committee as provided in this section.
937 Only officials on, and employees of, the compact committee may receive and review such
938 criminal history record information, and those officials and employees may use that

information only for the purposes of this compact. No such official or employee may disclose or disseminate such information to any person or entity other than another official or employee of the compact committee. The fingerprints of each applicant for a license from the compact committee shall be taken by the compact committee, its employees, or its designee and, pursuant to Public Law 92-544 or Public Law 100-413, shall be forwarded to a state identification bureau, or to an association of state officials regulating parimutuel wagering designated by the Attorney General of the United States, for submission to the Federal Bureau of Investigation for a criminal history record check. Such fingerprints may be submitted on a fingerprint card or by electronic or other means authorized by the Federal Bureau of Investigation or other receiving law enforcement agency. Issue licenses to, and renew the licenses of, participants in live racing listed in this section who are found by the committee to have met the licensure and renewal requirements established by the committee. The compact committee shall not have the power or authority to deny a license. If it determines that an applicant will not be eligible for the issuance or renewal of a compact committee license, the compact committee shall notify the applicant that it will not be able to process his or her application further. Such notification does not constitute and shall not be considered to be the denial of a license. Any such applicant shall have the right to present additional evidence to, and to be heard by, the compact committee, but the final decision on issuance or renewal of the license shall be made by the compact committee using the requirements established pursuant to this section. Enter into contracts or agreements with governmental agencies and with nongovernmental persons to provide personal services for its activities and such other services as may be necessary to effectuate the purposes of this compact. Create, appoint, and abolish those offices, employments, and positions, including an executive director, as it deems necessary for the purposes of this compact, prescribe their powers, duties, and qualifications, hire persons to fill those offices, employments and positions, and provide for the removal, term, tenure, compensation, fringe benefits, retirement benefits, and other conditions of employment of its officers, employees, and other positions. Borrow, accept, or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association, corporation, or other entity. Acquire, hold, and dispose of real and personal property by gift, purchase, lease, license, or in other similar manner, in furtherance of the purposes of this compact. Charge a fee to each applicant for an initial license or renewal of a license. Receive other funds through gifts, grants and appropriations.

Section 8. Voting requirements.

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

Section 9. Administration and management.

The compact committee shall elect annually from among its members a chairman, a vice-chairman, and a secretary/treasurer. The compact committee shall adopt bylaws for the conduct of its business by a two-thirds vote of the total number of officials or their alternates on the committee at that time and shall have the power by the same vote to amend and rescind these bylaws. The committee shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendments thereto with the secretary of state or equivalent agency of each of the party states. The compact committee may delegate the day-to-day management and administration of its duties and responsibilities to an executive director and his or her support staff. Employees of the compact committee shall be considered governmental employees.

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

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

ARTICLE V. Rights and Responsibilities of Each Party State. Section 11. Rights and responsibilities of each party state.

By enacting this compact, each party state: Agrees (i) to accept the decisions of the compact committee regarding the issuance of compact committee licenses to participants in live racing pursuant to the committee's licensure requirements, and (ii) to reimburse or otherwise pay the expenses of its official representative on the compact committee or his or her alternate. Agrees not to treat a notification to an applicant by the compact committee under Section 7 that the compact committee will not be able to process his or her application further as the denial of a license, or to penalize such an applicant in any

1007 other way based solely on such a decision by the compact committee. Reserves the right
 1008 (i) to charge a fee for the use of a compact committee license in that state, (ii) to apply
 1009 its own standards in determining whether, on the facts of a particular case, a compact
 1010 committee license should be suspended or revoked, (iii) to apply its own standards in
 1011 determining licensure eligibility, under the laws of that party state, for categories of
 1012 participants in live racing that the compact committee determines not to license and for
 1013 individual participants in live racing who do not meet the licensure requirements of the
 1014 compact committee, and (iv) to establish its own licensure standards for the licensure of
 1015 nonracing employees at parimutuel racetracks and employees at separate satellite
 1016 wagering facilities. Any party state that suspends or revokes a compact committee
 1017 license shall, through its racing division or the equivalent thereof or otherwise, promptly
 1018 notify the compact committee of that suspension or revocation. No party state shall be
 1019 held liable for the debts or other financial obligations incurred by the compact committee.

1020 ARTICLE VI. Construction and Severability. Section 12. Construction and severability.
 1021 This compact shall be liberally construed so as to effectuate its purposes. The provisions
 1022 of this compact shall be severable, and, if any phrase, clause, sentence, or provision of
 1023 this compact is declared to be contrary to the Constitution of the United States or of any
 1024 party state, or the applicability of this compact to any government, agency, person, or
 1025 circumstance is held invalid, the validity of the remainder of this compact and the
 1026 applicability thereof to any government, agency, person or circumstance shall not be
 1027 affected thereby. If all or some portion of this compact is held to be contrary to the
 1028 constitution of any party state, the compact shall remain in full force and effect as to the
 1029 remaining party states and in full force and effect as to the state affected as to all
 1030 severable matters.'

1031 50-39-41.
 1032 The Governor shall appoint one official to represent the State of Georgia on the compact
 1033 committee for a term of four years. No official shall serve more than three consecutive
 1034 terms. A vacancy shall be filled by the Governor for the unexpired term.

1035 50-39-42.
 1036 All departments, agencies, and officers of the State of Georgia and its political subdivisions
 1037 are authorized to cooperate with the compact committee in furtherance of any of its
 1038 activities pursuant to the compact.

50-39-43.

Nothing in this article shall be construed to diminish or limit the powers and responsibilities of the division established by Article 1 of this chapter or to invalidate any action of the division previously taken, including, without limitation, any rule or regulation promulgated thereby.

ARTICLE 3

50-39-50.

Any person not licensed in accordance with this chapter to conduct parimutuel wagering or horse racing on which parimutuel wagering is conducted who conducts parimutuel wagering or horse racing on which parimutuel wagering is conducted with his or her knowledge or consent shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

50-39-51.

Any person other than the lawful holder thereof who has in his or her possession any credential, license, or permit issued by the division or a forged or simulated credential, license, or permit of the division and who uses such credential, license, or permit for the purpose of misrepresentation, fraud, or touting shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both. Any credential, license, or permit issued by the division if used by the holder thereof for a purpose other than identification and in the performance of legitimate duties on a racetrack or within a satellite facility shall be automatically revoked whether so used on or off a racetrack or satellite facility.

50-39-52.

Any person who knowingly transmits information as to the progress or results of a horse race or information as to wagers, betting odds, post or off times, or jockey changes in any race by any means whatsoever for the purposes of carrying on illegal betting in violation of Part 1 of Article 2 of Chapter 12 of Title 16 or to a person engaged in illegal betting shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both. This Code section shall not be construed to prohibit a newspaper from printing such results or information as news or any television or radio station from telecasting or broadcasting such results or information as news. This Code section shall not be construed to place in

1072 jeopardy any common carrier or its agents performing operations within the scope of a
1073 public franchise or any gambling operation authorized by law.

1074 50-39-53.

1075 Any person who knowingly and intentionally by false representation attempts to or does
1076 persuade, procure, or cause another person to wager on a horse in a race to be run in this
1077 state or elsewhere and upon which money is wagered in this state and who asks or demands
1078 compensation as a reward for information or purported information given in such case shall
1079 be guilty of touting and, upon conviction, shall be punished as for a misdemeanor.

1080 50-39-54.

1081 Any person who gives, promises, or offers to any jockey, driver, groom, or any person
1082 participating in any race meeting, including owners of racetracks and their employees,
1083 stewards, trainers, judges, starters, and special peace officers, any valuable thing with intent
1084 to influence him or her to attempt to lose or cause to be lost a horse race in which such
1085 person is taking part or expects to take part or has any duty or connection or who, being
1086 either jockey, driver, or groom or participant in a race meeting, solicits or accepts any
1087 valuable thing to influence him or her to lose or cause to be lost a horse race in which he
1088 or she is taking part or expects to take part or has any duty or connection shall be guilty of
1089 a felony and, upon conviction thereof, shall be punished by imprisonment for not less than
1090 one nor more than ten years or a fine not to exceed \$100,000.00, or both.

1091 50-39-55.

1092 (a) Any person who with the intent to defraud acts to alter the outcome of a race by:

1093 (1) The administration of any substance foreign to the natural horse, except those
1094 substances specifically permitted by the rules and regulations of the division; or

1095 (2) The use of any device, electrical or otherwise, except those specifically permitted by
1096 the regulations of the division,

1097 shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment
1098 for not less than one nor more than three years or a fine not to exceed \$25,000.00, or both.

1099 (b) Any person who with the intent to defraud influences or conspires with another to alter
1100 the outcome of a race by:

1101 (1) The administration of any substance foreign to the natural horse, except those
1102 substances specifically permitted by the rules and regulations of the division; or

1103 (2) The use of any device, electrical or otherwise, except those specifically permitted by
1104 the rules and regulations of the division,

shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

(c) Any person who:

(1) Administers any substance foreign to the natural horse, except those substances specifically permitted by the rules and regulations of the division, when the horse is entered to start; or

(2) At any time exposes any substance foreign to the natural horse with the intent of impeding or increasing the speed, endurance, health, or condition of a horse
shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

(d)(1) The division shall implement a split-sample procedure for testing race horses under this Code section. The division shall split each urine and blood sample using the split-sample procedure into a primary sample and a secondary or split sample upon collection. The division shall transfer custody of the primary sample to the division laboratory, with custody of the split sample remaining with the division except as provided in this subsection.

(2) The division shall notify the owner or trainer, the stewards, and the racetrack licensee of all drug test results. If a drug test result is positive, upon request by the affected trainer or owner of the horse from which the sample was obtained, the division shall send the split sample to an approved independent laboratory for analysis. The division shall establish standards and rules for uniform enforcement and shall maintain a list of at least five approved independent laboratories for an owner or trainer to select from if a drug test result is positive.

(3) If the division laboratory's findings are not confirmed by the independent laboratory, no further administrative or disciplinary action under this Code section may be pursued.

(4) If the independent laboratory confirms the division laboratory's positive result, the division may commence enforcement proceedings against the offending individuals, including the owner, trainer, and veterinarian. For purposes of this subsection, the division shall in good faith attempt to obtain a sufficient quantity of the test fluid to allow both a primary test and a secondary test to be made. If there is an insufficient quantity of the split sample for confirmation of the division laboratory's positive result, the division may not take further action on the matter against the owner or trainer, and any resulting license suspension must be immediately lifted.

(5) The division shall require its laboratory and the independent laboratories to annually participate in an externally administered quality assurance program designed to assess testing proficiency in the detection and appropriate quantification of medications, drugs, and naturally occurring substances that may be administered to racing animals. The

administrator of the quality assurance program shall report its results and findings to the division and the Department of Agriculture and Consumer Services.

(e) The division may inspect or coordinate inspections with law enforcement of any area at a facility where racing animals are raced, trained, housed, or maintained, including any areas where food, medications, or other supplies are kept, to ensure the humane treatment of racing animals and compliance with this chapter and the rules of the division.

(f) In order to protect the safety and welfare of racing animals and the integrity of the races in which the animals participate, the division shall adopt rules establishing the conditions of use and maximum concentrations of medications, drugs, and naturally occurring substances identified in the Controlled Therapeutic Medication Schedule, by the Association of Racing Commissioners International, Inc. (ARCI). Controlled therapeutic medications include only the specific medications and concentrations allowed in biological samples which have been approved by ARCI as controlled therapeutic medications.

(g) The division rules shall designate the appropriate biological specimens by which the administration of medications, drugs, and naturally occurring substances is monitored and shall determine the testing methodologies, including measurement uncertainties, for screening such specimens to confirm the presence of medications, drugs, and naturally occurring substances.

(h) The division rules must include a classification system for drugs and substances and a corresponding penalty schedule for violations which incorporates the Uniform Classification Guidelines for Foreign Substances, by ARCI. The rules shall specify that a drug that is not listed in the Controlled Therapeutic Medication Schedule which is present in a sample taken from the animal immediately after the race is a prohibited substance. The presence of a prohibited substance in a sample may result in summary suspension of a permit holder.

(i) Medications authorized by the division pursuant to this Code section shall only be administered by the track veterinarian or the state veterinarian.

50-39-56.

The possession or transportation of any drug except those permitted by regulations of the division within the racing enclosure is prohibited except upon a bona fide veterinarian's prescription with complete statement of uses and purposes on the container. A copy of such prescription shall be filed with the stewards. Any person knowingly violating the provisions of this Code section relating to the legal possession of drugs shall be guilty of a misdemeanor. The provisions of Chapter 13 of Title 16 shall apply in situations where drugs regulated by that chapter are within the racing enclosure.

1177 50-39-57.

1178 Any person who knowingly enters or races any horse in any running or harness race under
1179 any name or designation other than the name or designation assigned to such horse by and
1180 registered with the Jockey Club, the United States Trotting Association, the American
1181 Quarter Horse Association, or other applicable association or who knowingly instigates,
1182 engages in, or in any way furthers any act by which any horse is entered or raced in any
1183 running or trotting race under any name or designation other than the name or designation
1184 duly assigned by and registered with the Jockey Club, the United States Trotting
1185 Association, the American Quarter Horse Association, or other applicable association shall
1186 be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for
1187 not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

1188 50-39-58.

1189 No person shall wager on or conduct any wagering on the outcome of a horse race pursuant
1190 to the provisions of this chapter unless such person is 18 years of age or older. No person
1191 shall accept any wager from a minor. No person shall be admitted into a satellite facility
1192 if such person is under 18 years of age unless accompanied by one of his or her parents or
1193 his or her legal guardian. Any person violating the provisions of this Code section shall
1194 be guilty of a misdemeanor."

1195 **SECTION 2.**

1196 This Act shall become effective on January 1, 2017, provided that an amendment to the
1197 Constitution of the State of Georgia authorizing parimutuel wagering or betting on horse
1198 racing is passed by the General Assembly and ratified by the electors of this state in the 2016
1199 general election. If no such amendment is proposed by the General Assembly or if such
1200 amendment is rejected by the electors or the election to ratify the proposed amendment is not
1201 held at the time of the 2016 general election, this Act shall stand repealed by operation of law
1202 on January 1, 2017.

1203 **SECTION 3.**

1204 All laws and parts of laws in conflict with this Act are repealed.