

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 656**

Introduced by Executive Board: Wightman, 36, Chairperson.

Read first time January 08, 2014

Committee: General File

A BILL

1 FOR AN ACT relating to parimutuel wagering; to amend sections 2-1203,  
2 2-1203.01, 2-1207, 2-1208, 2-1216, 2-1221, and 2-1222,  
3 Reissue Revised Statutes of Nebraska; to repeal  
4 provisions held unconstitutional by Stenberg v. Douglas  
5 Racing Corp. 246 Neb. 901 (1994); to harmonize  
6 provisions; to repeal the original sections; and to  
7 outright repeal sections 2-1230, 2-1231, 2-1232, 2-1233,  
8 2-1234, 2-1235, 2-1236, 2-1237, 2-1238, 2-1239, 2-1240,  
9 2-1241, and 2-1242, Reissue Revised Statutes of Nebraska.  
10 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 2-1203, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   2-1203 The State Racing Commission shall have power to  
4 prescribe and enforce rules and regulations governing horseraces and  
5 race meetings licensed as provided in sections 2-1201 to ~~2-1242.~~  
6 2-1229. Such rules and regulations shall contain criteria to be used  
7 by the commission for decisions on approving and revoking track  
8 licenses and ~~licenses for teleracing facilities and telephonic~~  
9 ~~wagering~~ and setting racing dates.

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

18                   The commission may delegate to a board of stewards such  
19 of the commission's powers and duties as may be necessary to carry  
20 out and effectuate the purposes of sections 2-1201 to ~~2-1242.~~ 2-1229.

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

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

5           Sec. 2. Section 2-1203.01, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7           2-1203.01 The State Racing Commission shall:

8           (1) Enforce all state laws covering horseracing as  
9 required by sections 2-1201 to ~~2-1242~~2-1229 and enforce rules and  
10 regulations adopted and promulgated by the commission under the  
11 authority of section 2-1203;

12           (2) License racing industry participants, race officials,  
13 mutuel employees, ~~teleracing facility employees, telephone deposit~~  
14 ~~center employees,~~ concessionaires, and such other persons as deemed  
15 necessary by the commission and ~~approve and license teleracing~~  
16 ~~facilities and telephonic wagering~~ if the license applicants meet  
17 eligibility standards established by the commission;

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

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

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

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

5                   Sec. 3. Section 2-1207, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7                   2-1207 (1) Within the enclosure of any racetrack where a  
8 race or race meeting licensed and conducted under sections 2-1201 to  
9 2-1218 is held or at a racetrack licensed to simulcast races or  
10 conduct interstate simulcasting, the parimutuel method or system of  
11 wagering on the results of the respective races may be used and  
12 conducted by the licensee. ~~Wagers placed through licensed teleracing~~  
13 ~~facilities or by approved telephonic wagering as authorized by~~  
14 ~~sections 2-1230 to 2-1242 shall be deemed to be wagers placed and~~  
15 ~~accepted within the enclosure of any racetrack.~~ Under such system,  
16 the licensee may receive wagers of money from any person present at  
17 such race or racetrack receiving the simulcast race or conducting  
18 interstate simulcasting ~~or placed through a licensed teleracing~~  
19 ~~facility or by approved telephonic wagering by any person who may~~  
20 ~~legally wager~~ on any horse in a race selected by such person to run  
21 first in such race, and the person so wagering shall acquire an  
22 interest in the total money so wagered on all horses in such race as  
23 first winners in proportion to the amount of money wagered by him or  
24 her. Such licensee shall issue to each person so wagering a  
25 certificate on which shall be shown the number of the race, the

1 amount wagered, and the number or name of the horse selected by such  
2 person as first winner. As each race is run, at the option of the  
3 licensee, the licensee may deduct from the total sum wagered on all  
4 horses as first winners not less than fifteen percent or more than  
5 eighteen percent from such total sum, plus the odd cents of the  
6 redistribution over the next lower multiple of ten. At the option of  
7 the licensee, the licensee may deduct up to and including twenty-five  
8 percent from the total sum wagered by exotic wagers as defined in  
9 section 2-1208.03. The State Racing Commission may authorize other  
10 levels of deduction on wagers conducted by means of interstate  
11 simulcasting. The licensee shall notify the commission in writing of  
12 the percentages the licensee intends to deduct during the live race  
13 meet conducted by the licensee and shall notify the commission at  
14 least one week in advance of any changes to such percentages the  
15 licensee intends to make. The licensee shall also deduct from the  
16 total sum wagered by exotic wagers, if any, the tax plus the odd  
17 cents of the redistribution over the next multiple of ten as provided  
18 in subsection (1) of section 2-1208.04. The balance remaining on hand  
19 shall be paid out to the holders of certificates on the winning horse  
20 in the proportion that the amount wagered by each certificate holder  
21 bears to the total amount wagered on all horses in such race to run  
22 first. The licensee may likewise receive such wagers on horses  
23 selected to run second, third, or both, or in such combinations as  
24 the commission may authorize, the method, procedure, and authority  
25 and right of the licensee, as well as the deduction allowed to the

1 licensee, to be as specified with respect to wagers upon horses  
2 selected to run first.

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

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

16 Sec. 4. Section 2-1208, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 2-1208 For all race meetings, every corporation or  
19 association licensed under the provisions of sections 2-1201 to  
20 2-1218 shall pay the tax imposed by section 2-1208.01 and shall also  
21 pay to the State Racing Commission the sum of sixty-four one  
22 hundredths of one percent of the gross sum wagered by the parimutuel  
23 method at each licensed racetrack enclosure during the calendar year.  
24 For race meetings devoted principally to running live races, the  
25 licensee shall pay to the commission the sum of fifty dollars for

1 each live racing day that the licensee serves as the host track for  
2 intrastate simulcasting and twenty-five dollars for any other live  
3 racing day.

4 No other license tax, permit tax, occupation tax, or  
5 excise tax or racing fee, except as provided in this section and in  
6 sections 2-1203~~7~~, and 2-1208.01, ~~and 2-1242,~~ shall be levied,  
7 assessed, or collected from any such licensee by the state or by any  
8 county, township, district, city, village, or other governmental  
9 subdivision or body having power to levy, assess, or collect any such  
10 tax or fee.

11 Sec. 5. Section 2-1216, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 2-1216 The parimutuel system of wagering on the results  
14 of horseraces, when conducted within the racetrack enclosure at  
15 licensed horserace meetings, ~~or through telereading facilities,~~ shall  
16 not under any circumstances be held or construed to be unlawful, any  
17 other statutes of the State of Nebraska to the contrary  
18 notwithstanding. The money inuring to the State Racing Commission  
19 under sections 2-1201 to 2-1218 ~~and 2-1230 to 2-1242~~ from permit fees  
20 or from other sources shall never be considered as license money. It  
21 is the intention of the Legislature that the funds arising under such  
22 sections be construed as general revenue to be appropriated and  
23 allocated exclusively for the specific purposes set forth in such  
24 sections.

25 Sec. 6. Section 2-1221, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           2-1221 Except as provided in sections 2-1207, ~~and 2-1230~~  
3 ~~to 2-1242,~~ whoever directly or indirectly accepts anything of value  
4 to be wagered or to be transmitted or delivered for wager in any  
5 parimutuel system of wagering on horseraces or delivers anything of  
6 value which has been received outside of the enclosure of a racetrack  
7 holding a race meet licensed under ~~Chapter 2, article 12, sections~~  
8 2-1201 to 2-1247, to be placed as wagers in the parimutuel pool  
9 within such enclosure shall be guilty of a Class II misdemeanor.

10           Sec. 7. Section 2-1222, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           2-1222 There is hereby created the Racing Commission's  
13 Cash Fund from which shall be appropriated such amounts as are  
14 available therefrom and as shall be considered incident to the  
15 administration of the State Racing Commission's office. The fund  
16 shall contain all license fees and gross receipt taxes collected by  
17 the commission as provided under sections 2-1203, 2-1203.01, and  
18 ~~2-1208, and 2-1242~~ but shall not include taxes collected pursuant to  
19 section 2-1208.01, and such fees and taxes collected shall be  
20 remitted to the State Treasurer for credit to the Racing Commission's  
21 Cash Fund. Any money in the fund available for investment shall be  
22 invested by the state investment officer pursuant to the Nebraska  
23 Capital Expansion Act and the Nebraska State Funds Investment Act.

24           Sec. 8. Original sections 2-1203, 2-1203.01, 2-1207,  
25 2-1208, 2-1216, 2-1221, and 2-1222, Reissue Revised Statutes of



1 Nebraska, are repealed.

2                   Sec. 9. The following sections are outright repealed:

3 Sections 2-1230, 2-1231, 2-1232, 2-1233, 2-1234, 2-1235, 2-1236,

4 2-1237, 2-1238, 2-1239, 2-1240, 2-1241, and 2-1242, Reissue Revised

5 Statutes of Nebraska.