

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 264:

A BILL TO BE ENTITLED
AN ACT

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

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

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

13 "CHAPTER 39

14 ARTICLE 1

15 50-39-1.

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

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

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

31 (c) The award of any money for any parimutuel wager placed at a racetrack licensed by
32 the Division of Horse Racing shall not be deemed to be a violation of Article 2 of Chapter
33 12 of Title 16.

34 50-39-2.

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

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

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

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

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

48 (5) 'Drug' means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85 (15) 'Participant' means any person who:

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

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

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

- 94 (16) 'Permit holder' includes any person holding a permit to participate in any horse
95 racing subject to the jurisdiction of the division or in the conduct of a race meeting or
96 parimutuel wagering thereon as provided in Code Section 50-39-24.
- 97 (17) 'Person' means any individual, group of individuals, firm, company, corporation,
98 partnership, business, trust, association, or other legal entity.
- 99 (18) 'Pool' means the amount wagered during a race meeting or during a specified period
100 thereof.
- 101 (19) 'Principal stockholder' means any person who individually or in concert with his or
102 her spouse and immediate family members beneficially owns or controls, directly or
103 indirectly, 5 percent or more of the stock of any person which is a licensee or who in
104 concert with his or her spouse and immediate family members has the power to vote or
105 cause the vote of 5 percent or more of any such stock. However, such term shall not
106 include a broker-dealer registered under the federal Securities Exchange Act of 1934, as
107 amended, which holds in inventory shares for sale on the financial markets for a publicly
108 traded corporation holding, directly or indirectly, a license from the division.
- 109 (20) 'Race meeting' means the whole consecutive period of time during which horse
110 racing with parimutuel wagering is conducted by a licensee which spans from the first
111 day of the licensed racing calendar until the final racing day, including all days on which
112 racing is not conducted within such period of time.
- 113 (21) 'Racetrack' or 'track' means an outdoor course located in the State of Georgia which
114 is laid out for horse racing and is licensed by the division.
- 115 (22) 'Simulcast horse racing' means the dissemination, receipt, or display of broadcasts
116 of the audio or video portion, or both, of horse races conducted by a licensed horse
117 racetrack, whether such races are conducted within the State of Georgia or were
118 conducted in any other jurisdiction, by satellite communication devices, television cables,
119 telephone lines, or any other means for the purposes of conducting parimutuel wagering
120 by patrons of a licensed horse racetrack or advance deposit account wagering licensee.
121 Simulcast horse racing received from outside this state shall have been licensed and
122 regulated as parimutuel horse racing by the regulatory authority in the state, territory, or
123 country from which it is broadcast.
- 124 (23) 'Steward' means a racing official, duly appointed by the division or the racetrack
125 licensee, with powers and duties prescribed by division regulations.
- 126 (24) 'Stock' includes all classes of stock, partnership interest, membership interest, or
127 similar ownership interest of an applicant or licensee and any debt or other obligation of
128 such person or an affiliated person if the division finds that the holder of such interest or
129 stock derives therefrom such control of or voice in the operation of the applicant or
130 licensee that he or she should be deemed an owner of stock.

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

133 50-39-3.

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

139 50-39-4.

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

142 50-39-5.

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

152 50-39-6.

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

156 (1) The division is vested with jurisdiction and supervision over all horse racing licensed
157 under the provisions of this chapter, including all persons conducting, participating in,
158 or attending any race meeting. It shall employ such persons to be present at race
159 meetings as are necessary to ensure that they are conducted with order and the highest
160 degree of integrity. It may eject or exclude from the enclosure or from any part thereof
161 any person, whether or not he or she possesses a license or permit, whose conduct or
162 reputation is such that his or her presence may, in the opinion of the division, reflect

163 adversely on the honesty and integrity of horse racing or interfere with the orderly
164 conduct of horse racing;

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

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

183 (4) The division shall promulgate rules and regulations and conditions under which
184 simulcast horse racing shall be conducted at a licensed horse racetrack or advance deposit
185 account wagering license holder in the State of Georgia and all such other regulations it
186 deems necessary and appropriate to effect the purposes of this chapter. Such regulations
187 shall include provisions that all simulcast horse racing shall comply with the federal
188 Interstate Horse Racing Act of 1978, 15 U.S.C. Section 3001, et seq., and the rules and
189 regulations of the division and the jurisdiction from which simulcast horse racing is
190 received. Except as authorized pursuant to paragraph (5) of this Code section, wagering
191 on simulcast horse racing shall take place only at a licensed horse racetrack;

192 (5) The division shall promulgate rules and regulations and conditions regulating and
193 controlling advance deposit account wagering within the State of Georgia. Such
194 regulations shall include, but shall not be limited to, standards, qualifications, and
195 procedures for the issuance of a license to any such entity or entities pursuant to Code
196 Section 50-39-12 involved in the conduct of advance deposit account wagering in the
197 State of Georgia; provisions regarding access to books, records, and memoranda and
198 submission to investigations and audits, as authorized by paragraphs (2) and (10) of this
199 Code section; and provisions regarding the collection of all revenues due to the State of

200 Georgia from the placing of such wagers. A license to conduct advance deposit account
201 wagering shall only be issued to a racetrack owner or a racetrack owner's designee with
202 experience operating an advance deposit account wagering business with average
203 wagering volume of not less than \$1 billion annually over the past five consecutive years
204 prior to licensure. Any contract between a racetrack owner and such a designee shall be
205 subject to approval by the division prior to licensure of such designee. No parimutuel
206 wager may be made on or with any computer owned or leased by the State of Georgia or
207 any of its political subdivisions, at any public elementary or secondary school in this
208 state, or owned or leased by any public college, university, or technical school in this
209 state. The division shall also ensure that, except for this method of parimutuel wagering,
210 all wagering on simulcast horse racing shall take place only at a licensed horse racetrack.
211 Nothing in this paragraph shall be construed to limit the division's authority set forth
212 elsewhere in this Code section;

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

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

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

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

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

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

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

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

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

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

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

258 (14) The division shall require the existence of a contract between the racetrack licensee
259 and the recognized majority horseman's group providing for the payment purses and
260 prizes on horse racing conducted by the licensee. The division shall have the authority
261 to promulgate rules for the formation, conduct, and verification of any organization
262 claiming to be a majority horseman's group. Any contract between a licensee and a
263 majority horseman's group shall be subject to the approval of the division not less than
264 90 days prior to the commencement of the racing meet of the licensee. The division shall
265 have the power to approve or disapprove any of its items within the contract, including,
266 but not limited to, the provisions regarding expenses related to the administration of the
267 horseman's group and the purses and prizes paid on horse racing pursuant to the
268 agreement;

269 (15) Notwithstanding the provisions of Code Section 50-39-28, the division may grant
270 provisional licenses to own or operate the racetrack to an applicant prior to the applicant
271 securing the approval through the local referendum required by Code Section 50-39-28.
272 The provisional licenses issued by the division shall only become effective upon the

273 approval of the racetrack in a referendum conducted pursuant to Code Section 50-39-28
274 in the jurisdiction in which the racetrack is to be located; and
275 (16) The division shall have plenary authority throughout the State of Georgia to
276 investigate and prosecute the conduct of horse racing of any kind which does not comply
277 with the provisions of this chapter and the rules of the division.

278 50-39-7.

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

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

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

297 50-39-8.

298 All moneys and revenues received by the division under this chapter shall be placed in a
299 special fund known as the State Racing Operations Fund. Notwithstanding any other
300 provision of law to the contrary, interest earned from moneys in the State Racing
301 Operations Fund shall accrue to the benefit of such fund. The total costs for the operation
302 and administration of the division shall be funded from the State Racing Operations Fund
303 and shall be in such amount as provided by the General Assembly in the General
304 Appropriations Act for each fiscal year.

305 50-39-9.

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

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

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

313 (3) All security personnel of any licensee;

314 (4) Employees of the division;

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

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

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

329 50-39-10.

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

333 50-39-11.

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

338 50-39-12.

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

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

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

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

356 50-39-13.

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

366 50-39-14.

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

- 372 (1) The name and address of such person; if a corporation, the state of its incorporation,
373 the full name and address of each officer and director thereof, and, if a foreign
374 corporation, whether it is qualified to do business in this state; and, if a partnership or
375 joint venture, the name and address of each officer thereof;
- 376 (2) The name and address of each stockholder or member of such corporation who has
377 or controls a 5 percent or greater ownership or security interest or each partner of such
378 partnership or joint venture who has or controls a 5 percent or greater ownership or
379 security interest and of each person who has contracted for a pecuniary interest in the
380 applicant or the enclosure where race meetings or parimutuel wagering will be conducted,
381 whether such interest is an ownership or a security interest, the nature and value of such
382 interest, and the name and address of each person who has agreed to lend money to the
383 applicant;
- 384 (3) Such information as the division deems appropriate regarding the character,
385 background, and responsibility of the applicant and the members, partners, stockholders,
386 officers, and directors of the applicant;
- 387 (4) The location and description of the racetrack, place, or enclosure where such person
388 proposes to hold such meetings or wagering, including the name of any county or
389 municipality in which any property of such racetrack is or will be located. The division
390 shall require such information about the enclosure and location of such track as it deems
391 necessary and appropriate to determine whether it complies with the minimum standards
392 provided in this chapter and whether the conduct of a race meeting or parimutuel
393 wagering at such location would be in the best interests of the people of the State of
394 Georgia;
- 395 (5) Such information relating to the financial responsibility of the applicant as the
396 division deems appropriate;
- 397 (6) If any of the facilities necessary for the conduct of racing or parimutuel wagering are
398 to be leased, the terms of such lease; and
- 399 (7) Any other information which the division in its discretion deems appropriate.
- 400 (b) Each application shall be verified by the oath or affirmation of an officer of the
401 applicant and shall be accompanied by a nonrefundable application fee as determined by
402 the division.
- 403 (c) Any person who knowingly makes a false statement to the division for the purposes of
404 obtaining a license under this chapter shall be guilty of a felony and, upon conviction
405 thereof, shall be punished by imprisonment for not less than one nor more than ten years
406 or a fine not to exceed \$50,000.00, or both.
- 407 (d) No application for the horse racetrack license shall be considered unless the applicant
408 and its management can demonstrate a successful history of operating not less than five

409 horse racetracks and managing an average gross parimutuel wagering handle volume on
410 horse racing of not less than \$2 billion per year over the past five years.

411 50-39-15.

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

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

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

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

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

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

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

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

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

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

444 (1) The applicant is adequately capitalized;

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

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

451 (4) The applicant meets the criteria established by the division for the granting of a
452 racetrack owner's license.

453 50-39-16.

454 Notwithstanding the provisions of Code Section 50-39-28, the division may grant a permit,
455 for a duration to be determined by the division, to the owner or operator of a standardbred,
456 quarter horse, or steeplechase racing facility for the purpose of conducting parimutuel
457 wagering on such race meetings at that facility for a period not to exceed 14 days in any
458 calendar year, provided that, prior to making application for such license, the facility has
459 an agreement with the racetrack owner licensee and has been sanctioned by the National
460 Steeplechase Association, United States Trotting Association, or the American Quarter
461 Horse Association and the owner or operator of such facility has been granted tax-exempt
462 status under Section 501(c)(3) or (4) of the federal Internal Revenue Code. In deciding
463 whether to grant any permit pursuant to this Code section, the division shall determine
464 whether the issuance of such a permit is in the best interests of horse racing in the State of
465 Georgia or would cannibalize the operations of the racetrack owner licensee and shall also
466 consider the results of, circumstances surrounding, and issues involved in any referendum
467 conducted under the provisions of Code Section 50-39-28 and whether the division had
468 previously granted a permit to such facility, owner, or operator.

469 50-39-17.

470 No racetrack owner's license or renewal thereof shall be granted to any corporation if the
471 division finds that any principal stockholder of such stock corporation or any member of
472 such nonstock corporation:

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

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

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

480 50-39-18.

481 (a) A racetrack owner's license shall be for the period set by the division, not to be less
482 than 20 years, but shall be reviewed every three years. Licenses for advance deposit
483 account wagering issued under Code Section 50-39-15 shall be for a period of five years
484 but shall be reviewed annually. The division shall designate on the license the duration of
485 such license, the location of such track or proposed track, and such other information as it
486 deems proper. The division shall establish criteria and procedures for license renewal.
487 (b) The division shall require a bond with surety or a letter of credit, acceptable to the
488 division and in an amount determined by it, to be sufficient to cover any indebtedness
489 incurred by the licensee to the State of Georgia.

490 50-39-19.

491 Any person desiring to hold a race meeting shall file with the division an application for
492 a racetrack license. Such application may be made in conjunction with an application for
493 a racetrack owner's license. It shall be filed at the time and place prescribed by the division
494 and contain such information as prescribed by the division, including all information
495 prescribed for an owner's license under Code Section 50-39-14 and, in addition, the date
496 the applicant wishes to conduct a race meeting. Any application filed pursuant to this Code
497 section shall be verified by the oath or affirmation of an officer of the applicant and shall
498 be accompanied by a nonrefundable application fee as determined by the division.

499 50-39-20.

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

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

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

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

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

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

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

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

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

530 50-39-21.

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

533 50-39-22.

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

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

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

548 license is summarily suspended and notify the licensee not less than five business days
549 before the hearing of the date, time, and place of the hearing.

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

556 50-39-23.

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

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

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

584 50-39-24.

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

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

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

599 50-39-25.

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

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

605 50-39-26.

606 (a) The division shall promptly consider any application for a permit and issue or deny
607 such permit based on the information in the application and all other information before it,
608 including any investigation it deems appropriate. If an application for a permit is approved,
609 the division shall issue a permit which shall contain such information as the division deems
610 appropriate. Such permit shall be valid for one year; however, the permit of a licensee's
611 employee shall expire automatically when such permit holder leaves the employment of
612 the licensee or at the end of one year, whichever occurs first. The licensee shall promptly
613 notify the division when a permit holder leaves the employment of the licensee. The
614 division shall establish criteria and procedures for permit renewal.

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

619 the honesty and integrity of the horse racing industry in the State of Georgia or that the
620 applicant:

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

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

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

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

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

631 (c) The division shall deny the application and refuse to issue the permit if, within the five
632 years immediately preceding the date of the application for the permit sought, the applicant
633 has been convicted of a crime involving the unlawful conduct of wagering, fraudulent use
634 of a credential, unlawful transmission of information, touting, bribery, administration or
635 possession of drugs, or any felony considered by the division to be detrimental to horse
636 racing in the State of Georgia; the denial shall be final unless an appeal is taken under Code
637 Section 50-39-10. Additionally, the division may deny the application and refuse to issue
638 any permit if the applicant has been convicted of any such crime committed prior to the
639 five years immediately preceding the date of the application.

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

643 50-39-27.

644 (a) The division, directly or acting by and through its stewards, may suspend or revoke a
645 permit issued under this chapter or fine the holder of such permit a sum not to exceed
646 \$10,000.00 or suspend a permit issued by this chapter and fine the holder of such permit
647 a sum not to exceed \$10,000.00 after a hearing for which proper notice has been given to
648 the permittee in any case where it determines by a preponderance of the evidence that any
649 provision of this chapter or any rule, regulation, order, or condition of the division has not
650 been complied with or has been violated. The division may revoke such permit, after such
651 hearing, if it finds that facts not known by it at the time it was considering the application
652 indicate that such permit should not have been issued. Deliberations of the division under
653 this Code section shall be conducted pursuant to the provisions of Chapter 14 of this title.
654 If any permit is suspended or revoked, the division shall state its reasons for doing so,

655 which shall be entered on record. Such action shall be final unless an appeal is taken in
 656 accordance with Code Section 50-39-10. Suspension or revocation of a permit by the
 657 division for any violation shall not preclude criminal liability for such violation.

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

665 50-39-28.

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

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

670 (2) A petition signed by 1 percent or 1,000, whichever is less, of the qualified electors
 671 of such county or municipality is filed with the election superintendent of such county or
 672 municipality asking that a referendum be held on the question of whether horse racing
 673 and parimutuel wagering shall be permitted at a licensed racetrack in such county or
 674 municipality in accordance with this chapter.

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

691 county or municipality. No notary public shall sign the petition as an elector or serve as
 692 a circulator of any petition which he or she notarized. Any and all pages of a petition that
 693 have the circulator's affidavit notarized by a notary public who also served as a circulator
 694 of one or more pages of the petition or who signed one of the pages of the petition as an
 695 elector shall be disqualified and rejected.

696 (2) Following the filing of such petition, the election superintendent shall verify such
 697 petition within 90 days following its submission for verification. If such petition is found
 698 to contain a sufficient number of valid signatures of the qualified electors of the
 699 jurisdiction, the election superintendent shall call and conduct a special election in
 700 accordance with Chapter 2 of Title 21 to submit the referendum question to the electors
 701 of the jurisdiction. Such election shall be on the next available day under Code Section
 702 21-2-540 that is at least 60 days after the date on which the petition is verified but shall
 703 not be later than the next general election unless such general election is within 60 days
 704 of the date on which the petition is verified.

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

711 '() YES Shall horse racing and parimutuel wagering be permitted in [name of county
 712 () NO or municipality] at a licensed racetrack in accordance with Chapter 39 of
 713 Title 50 of the O.C.G.A.?'

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

725 50-39-29.

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

730 (b) The racetrack licensee may establish the takeout for parimutuel pools on the live racing
731 that it conducts which may vary depending on the type of wagering pool offered for a given
732 race, and such takeout shall be the takeout for wagers in these pools offered throughout this
733 state whether the wager is placed at the track or via an advance deposit account wagering
734 permittee. The takeout for parimutuel pools on simulcast horse racing shall be those
735 established by the out-of-state entity conducting the horse racing.

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

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

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

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

747 (2) Three percent shall be paid by the racetrack licensee to the Georgia Lottery
748 Corporation which shall use such funds for HOPE scholarships;

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

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

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

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

759 (f) There is created the Georgia Breeders Funds, which, together with the interest thereon,
760 shall be administered by the racetrack licensee. There shall be a specific fund for each
761 breed of horse for which racing is authorized by the division and on which live racing is

762 conducted by the racetrack licensee. The funds shall be disbursed by the racetrack licensee
763 to the breeders of Georgia bred horses that win races at race meetings designated by the
764 division, to the owners of Georgia sires of Georgia bred horses that win races at race
765 meetings designated by the division, to the owners of Georgia bred horses that win or earn
766 purse money in nonrestricted races conducted by the racetrack licensee, to the owners of
767 Georgia bred horses that win races at race meetings designated by the division, and for
768 purses for races restricted to Georgia bred or Georgia sired horses, or both, at race meetings
769 designated by the division. The distribution of funds shall be made in accordance with a
770 plan prepared by the racetrack licensee and approved by the division. Such plan shall be
771 submitted to the division for approval not less than 120 days prior to the commencement
772 of the licensed racing meet. The division may solicit input from various breed registry
773 organizations on the submitted plan prior to approval.

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

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

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

792 50-39-30.

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

797 50-39-31.

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

800 (1) Individuals associated with owning or training horses for racing not to exceed
 801 \$100.00 per year;

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

804 (3) Individuals employed by entities doing business with racetracks or advance deposit
 805 wagering account operations not to exceed \$500.00 per year;

806 (4) Racetracks not to exceed \$150,000.00 per year;

807 (5) Advance deposit account wagering operations not to exceed \$150,000.00 per year;

808 (6) Business entities doing business with racetracks or advance deposit account wagering
 809 operations not to exceed \$5,000.00 per year; and

810 (7) Steeplechase, standardbred, or quarter horse racing facilities not to exceed
 811 \$15,000.00 per year.

812 (b) In establishing these fees, the division shall attempt to maintain the amount of fees
 813 collected annually from the permit holders at an amount equal to the cost of regulating the
 814 horse racing industry in Georgia. The division shall revisit permit categories and annual
 815 permit fees not less than every three years to ensure compliance with this subsection.

816 ARTICLE 2

817 50-39-40.

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

821 'ARTICLE I. Purposes. Section 1. Purposes.

822 The purposes of this compact are to: Establish uniform requirements among the party
 823 states for the licensing of participants in live racing with parimutuel wagering, and ensure
 824 that all such participants who are licensed pursuant to this compact meet a uniform
 825 minimum standard of honesty and integrity. Facilitate the growth of the parimutuel
 826 racing industry in each party state and nationwide by simplifying the process for licensing
 827 participants in live racing, and reduce the duplicative and costly process of separate
 828 licensing by the regulatory agency in each state that conducts live racing with parimutuel
 829 wagering. Authorize the Georgia Racing Division to participate in this compact. Provide
 830 for participation in this compact by officials of the party states, and permit those officials,
 831 through the compact committee established by this compact, to enter into contracts with

832 governmental agencies and nongovernmental persons to carry out the purposes of this
833 compact. Establish the compact committee created by this compact as an interstate
834 governmental entity duly authorized to request and receive criminal history record
835 information from the Federal Bureau of Investigation and other state and local law
836 enforcement agencies.

837 ARTICLE II. Definitions. Section 2. Definitions.

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

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

843 "Participants in live racing" means participants in live racing with parimutuel wagering
844 in the party states.

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

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

848 ARTICLE III. Entry into Force, Eligible Parties, and Withdrawal. Section 3. Entry into
849 force.

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

854 Section 4. States eligible to join compact.

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

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

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

865 ARTICLE IV. Compact Committee. Section 6. Compact committee established.
866 There is hereby created an interstate governmental entity to be known as the "compact
867 committee," which shall be comprised of one official from the racing division or its
868 equivalent in each party state who shall be appointed, serve, and be subject to removal
869 in accordance with the laws of the party state he or she represents. Pursuant to the laws
870 of his or her party state, each official shall have the assistance of his or her state's racing
871 division or the equivalent thereof in considering issues related to licensing of participants
872 in live racing and in fulfilling his or her responsibilities as the representative from his or
873 her state to the compact committee. If an official is unable to perform any duty in
874 connection with the powers and duties of the compact committee, the racing division or
875 equivalent thereof from his or her state shall designate an alternate who shall serve in his
876 or her place and represent the party state as its official on the compact committee until
877 that racing division or equivalent thereof determines that the original representative
878 official is able once again to perform his or her duties as that party state's representative
879 official on the compact committee. The designation of an alternate shall be
880 communicated by the affected state's racing division or equivalent thereof to the compact
881 committee as the committee's bylaws may provide.

882 Section 7. Powers and duties of compact committee.
883 In order to carry out the purposes of this compact, the compact committee is hereby
884 granted the power and duty to: Determine which categories of participants in live horse
885 racing, including, but not limited to, owners, trainers, jockeys, grooms, mutuel clerks,
886 racing officials, veterinarians, and farriers, and which categories of equivalent
887 participants in dog racing and other forms of live racing with parimutuel wagering
888 authorized in two or more of the party states, should be licensed by the committee, and
889 establish the requirements for the initial licensure of applicants in each such category, the
890 term of the license for each category, and the requirements for renewal of licenses in each
891 category; provided, however, that with regard to requests for criminal history record
892 information on each applicant for a license, and with regard to the effect of a criminal
893 record on the issuance or renewal of a license, the compact committee shall determine for
894 each category of participants in live racing which licensure requirements for that category
895 are, in its judgment, the most restrictive licensure requirements of any party state for that
896 category and shall adopt licensure requirements for that category that are, in its judgment,
897 comparable to those most restrictive requirements. Investigate applicants for a license
898 from the compact committee and, as permitted by federal and state law, gather
899 information on such applicants, including criminal history record information from the
900 Federal Bureau of Investigation and relevant state and local law enforcement agencies,

901 and, where appropriate, from the Royal Canadian Mounted Police and law enforcement
902 agencies of other countries, necessary to determine whether a license should be issued
903 under the licensure requirements established by the committee as provided in this section.
904 Only officials on, and employees of, the compact committee may receive and review such
905 criminal history record information, and those officials and employees may use that
906 information only for the purposes of this compact. No such official or employee may
907 disclose or disseminate such information to any person or entity other than another
908 official on or employee of the compact committee. The fingerprints of each applicant for
909 a license from the compact committee shall be taken by the compact committee, its
910 employees, or its designee and, pursuant to Public Law 92-544 or Public Law 100-413,
911 shall be forwarded to a state identification bureau, or to an association of state officials
912 regulating parimutuel wagering designated by the Attorney General of the United States,
913 for submission to the Federal Bureau of Investigation for a criminal history record check.
914 Such fingerprints may be submitted on a fingerprint card or by electronic or other means
915 authorized by the Federal Bureau of Investigation or other receiving law enforcement
916 agency. Issue licenses to, and renew the licenses of, participants in live racing listed in
917 this section who are found by the committee to have met the licensure and renewal
918 requirements established by the committee. The compact committee shall not have the
919 power or authority to deny a license. If it determines that an applicant will not be eligible
920 for the issuance or renewal of a compact committee license, the compact committee shall
921 notify the applicant that it will not be able to process his or her application further. Such
922 notification does not constitute and shall not be considered to be the denial of a license.
923 Any such applicant shall have the right to present additional evidence to, and to be heard
924 by, the compact committee, but the final decision on issuance or renewal of the license
925 shall be made by the compact committee using the requirements established pursuant to
926 this section. Enter into contracts or agreements with governmental agencies and with
927 nongovernmental persons to provide personal services for its activities and such other
928 services as may be necessary to effectuate the purposes of this compact. Create, appoint,
929 and abolish those offices, employments, and positions, including an executive director,
930 as it deems necessary for the purposes of this compact, prescribe their powers, duties, and
931 qualifications, hire persons to fill those offices, employments and positions, and provide
932 for the removal, term, tenure, compensation, fringe benefits, retirement benefits, and
933 other conditions of employment of its officers, employees, and other positions. Borrow,
934 accept, or contract for the services of personnel from any state, the United States, or any
935 other governmental agency, or from any person, firm, association, corporation, or other
936 entity. Acquire, hold, and dispose of real and personal property by gift, purchase, lease,
937 license, or in other similar manner, in furtherance of the purposes of this compact.

938 Charge a fee to each applicant for an initial license or renewal of a license. Receive other
939 funds through gifts, grants and appropriations.

940 Section 8. Voting requirements.

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

949 Section 9. Administration and management.

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

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

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

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

967 By enacting this compact, each party state: Agrees (i) to accept the decisions of the
968 compact committee regarding the issuance of compact committee licenses to participants
969 in live racing pursuant to the committee's licensure requirements, and (ii) to reimburse
970 or otherwise pay the expenses of its official representative on the compact committee or

971 his or her alternate. Agrees not to treat a notification to an applicant by the compact
 972 committee under Section 7 that the compact committee will not be able to process his or
 973 her application further as the denial of a license, or to penalize such an applicant in any
 974 other way based solely on such a decision by the compact committee. Reserves the right
 975 (i) to charge a fee for the use of a compact committee license in that state, (ii) to apply
 976 its own standards in determining whether, on the facts of a particular case, a compact
 977 committee license should be suspended or revoked, (iii) to apply its own standards in
 978 determining licensure eligibility, under the laws of that party state, for categories of
 979 participants in live racing that the compact committee determines not to license and for
 980 individual participants in live racing who do not meet the licensure requirements of the
 981 compact committee, and (iv) to establish its own licensure standards for the licensure of
 982 nonracing employees at parimutuel racetracks and employees at separate satellite
 983 wagering facilities. Any party state that suspends or revokes a compact committee
 984 license shall, through its racing division or the equivalent thereof or otherwise, promptly
 985 notify the compact committee of that suspension or revocation. No party state shall be
 986 held liable for the debts or other financial obligations incurred by the compact committee.

987 ARTICLE VI. Construction and Severability. Section 12. Construction and severability.
 988 This compact shall be liberally construed so as to effectuate its purposes. The provisions
 989 of this compact shall be severable, and, if any phrase, clause, sentence, or provision of
 990 this compact is declared to be contrary to the Constitution of the United States or of any
 991 party state, or the applicability of this compact to any government, agency, person, or
 992 circumstance is held invalid, the validity of the remainder of this compact and the
 993 applicability thereof to any government, agency, person or circumstance shall not be
 994 affected thereby. If all or some portion of this compact is held to be contrary to the
 995 constitution of any party state, the compact shall remain in full force and effect as to the
 996 remaining party states and in full force and effect as to the state affected as to all
 997 severable matters.'

998 50-39-41.

999 The Governor shall appoint one official to represent the State of Georgia on the compact
 1000 committee for a term of four years. No official shall serve more than three consecutive
 1001 terms. A vacancy shall be filled by the Governor for the unexpired term.

1002 50-39-42.

1003 All departments, agencies, and officers of the State of Georgia and its political subdivisions
 1004 are authorized to cooperate with the compact committee in furtherance of any of its
 1005 activities pursuant to the compact.

1006 50-39-43.

1007 Nothing in this article shall be construed to diminish or limit the powers and
 1008 responsibilities of the division established by Article 1 of this chapter or to invalidate any
 1009 action of the division previously taken, including, without limitation, any rule or regulation
 1010 promulgated thereby.

1011 ARTICLE 3

1012 50-39-50.

1013 Any person not licensed in accordance with this chapter to conduct parimutuel wagering
 1014 or horse racing on which parimutuel wagering is conducted who conducts parimutuel
 1015 wagering or horse racing on which parimutuel wagering is conducted with his or her
 1016 knowledge or consent shall be guilty of a felony and, upon conviction thereof, shall be
 1017 punished by imprisonment for not less than one nor more than ten years or a fine not to
 1018 exceed \$100,000.00, or both.

1019 50-39-51.

1020 Any person other than the lawful holder thereof who has in his or her possession any
 1021 credential, license, or permit issued by the division or a forged or simulated credential,
 1022 license, or permit of the division and who uses such credential, license, or permit for the
 1023 purpose of misrepresentation, fraud, or touting shall be guilty of a felony and, upon
 1024 conviction thereof, shall be punished by imprisonment for not less than one nor more than
 1025 ten years or a fine not to exceed \$100,000.00, or both. Any credential, license, or permit
 1026 issued by the division if used by the holder thereof for a purpose other than identification
 1027 and in the performance of legitimate duties on a racetrack shall be automatically revoked
 1028 whether so used on or off a racetrack.

1029 50-39-52.

1030 Any person who knowingly transmits information as to the progress or results of a horse
 1031 race or information as to wagers, betting odds, post or off times, or jockey changes in any
 1032 race by any means whatsoever for the purposes of carrying on illegal betting in violation
 1033 of Part 1 of Article 2 of Chapter 12 of Title 16 or to a person engaged in illegal betting

1034 shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment
 1035 for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.
 1036 This Code section shall not be construed to prohibit a newspaper from printing such results
 1037 or information as news or any television or radio station from telecasting or broadcasting
 1038 such results or information as news. This Code section shall not be construed to place in
 1039 jeopardy any common carrier or its agents performing operations within the scope of a
 1040 public franchise or any gambling operation authorized by law.

1041 50-39-53.

1042 Any person who knowingly and intentionally by false representation attempts to or does
 1043 persuade, procure, or cause another person to wager on a horse in a race to be run in this
 1044 state or elsewhere and upon which money is wagered in this state and who asks or demands
 1045 compensation as a reward for information or purported information given in such case shall
 1046 be guilty of touting and, upon conviction, shall be punished as for a misdemeanor.

1047 50-39-54.

1048 Any person who gives, promises, or offers to any jockey, driver, groom, or any person
 1049 participating in any race meeting, including owners of racetracks and their employees,
 1050 stewards, trainers, judges, starters, and special peace officers, any valuable thing with intent
 1051 to influence him or her to attempt to lose or cause to be lost a horse race in which such
 1052 person is taking part or expects to take part or has any duty or connection or who, being
 1053 either jockey, driver, or groom or participant in a race meeting, solicits or accepts any
 1054 valuable thing to influence him or her to lose or cause to be lost a horse race in which he
 1055 or she is taking part or expects to take part or has any duty or connection shall be guilty of
 1056 a felony and, upon conviction thereof, shall be punished by imprisonment for not less than
 1057 one nor more than ten years or a fine not to exceed \$100,000.00, or both.

1058 50-39-55.

1059 (a) Any person who with the intent to defraud acts to alter the outcome of a race by:

1060 (1) The administration of any substance foreign to the natural horse, except those
 1061 substances specifically permitted by the rules and regulations of the division; or

1062 (2) The use of any device, electrical or otherwise, except those specifically permitted by
 1063 the regulations of the division,

1064 shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment
 1065 for not less than one nor more than three years or a fine not to exceed \$25,000.00, or both.

1066 (b) Any person who with the intent to defraud influences or conspires with another to alter
 1067 the outcome of a race by:

1068 (1) The administration of any substance foreign to the natural horse, except those
1069 substances specifically permitted by the rules and regulations of the division; or

1070 (2) The use of any device, electrical or otherwise, except those specifically permitted by
1071 the rules and regulations of the division,

1072 shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment
1073 for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

1074 (c) Any person who:

1075 (1) Administers any substance foreign to the natural horse, except those substances
1076 specifically permitted by the rules and regulations of the division, when the horse is
1077 entered to start; or

1078 (2) At any time exposes any substance foreign to the natural horse with the intent of
1079 impeding or increasing the speed, endurance, health, or condition of a horse

1080 shall be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment
1081 for not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

1082 (d)(1) The division shall implement a split-sample procedure for testing race horses
1083 under this Code section. The division shall split each urine and blood sample using the
1084 split-sample procedure into a primary sample and a secondary or split sample upon
1085 collection. The division shall transfer custody of the primary sample to the division
1086 laboratory, with custody of the split sample remaining with the division except as
1087 provided in this subsection.

1088 (2) The division shall notify the owner or trainer, the stewards, and the racetrack licensee
1089 of all drug test results. If a drug test result is positive, upon request by the affected trainer
1090 or owner of the horse from which the sample was obtained, the division shall send the
1091 split sample to an approved independent laboratory for analysis. The division shall
1092 establish standards and rules for uniform enforcement and shall maintain a list of at least
1093 five approved independent laboratories for an owner or trainer to select from if a drug test
1094 result is positive.

1095 (3) If the division laboratory's findings are not confirmed by the independent laboratory,
1096 no further administrative or disciplinary action under this Code section may be pursued.

1097 (4) If the independent laboratory confirms the division laboratory's positive result, the
1098 division may commence enforcement proceedings against the offending individuals,
1099 including the owner, trainer, and veterinarian. For purposes of this subsection, the
1100 division shall in good faith attempt to obtain a sufficient quantity of the test fluid to allow
1101 both a primary test and a secondary test to be made. If there is an insufficient quantity
1102 of the split sample for confirmation of the division laboratory's positive result, the
1103 division may not take further action on the matter against the owner or trainer, and any
1104 resulting license suspension must be immediately lifted.

1105 (5) The division shall require its laboratory and the independent laboratories to annually
1106 participate in an externally administered quality assurance program designed to assess
1107 testing proficiency in the detection and appropriate quantification of medications, drugs,
1108 and naturally occurring substances that may be administered to racing animals. The
1109 administrator of the quality assurance program shall report its results and findings to the
1110 division and the Department of Agriculture and Consumer Services.

1111 (e) The division may inspect or coordinate inspections with law enforcement of any area
1112 at a facility where racing animals are raced, trained, housed, or maintained, including any
1113 areas where food, medications, or other supplies are kept, to ensure the humane treatment
1114 of racing animals and compliance with this chapter and the rules of the division.

1115 (f) In order to protect the safety and welfare of racing animals and the integrity of the races
1116 in which the animals participate, the division shall adopt rules establishing the conditions
1117 of use and maximum concentrations of medications, drugs, and naturally occurring
1118 substances identified in the Controlled Therapeutic Medication Schedule, by the
1119 Association of Racing Commissioners International, Inc. (ARCI). Controlled therapeutic
1120 medications include only the specific medications and concentrations allowed in biological
1121 samples which have been approved by ARCI as controlled therapeutic medications.

1122 (g) The division rules shall designate the appropriate biological specimens by which the
1123 administration of medications, drugs, and naturally occurring substances is monitored and
1124 shall determine the testing methodologies, including measurement uncertainties, for
1125 screening such specimens to confirm the presence of medications, drugs, and naturally
1126 occurring substances.

1127 (h) The division rules must include a classification system for drugs and substances and
1128 a corresponding penalty schedule for violations which incorporates the Uniform
1129 Classification Guidelines for Foreign Substances, by ARCI. The rules shall specify that
1130 a drug that is not listed in the Controlled Therapeutic Medication Schedule which is present
1131 in a sample taken from the animal immediately after the race is a prohibited substance. The
1132 presence of a prohibited substance in a sample may result in summary suspension of a
1133 permit holder.

1134 (i) Medications authorized by the division pursuant to this Code section shall only be
1135 administered by the track veterinarian or the state veterinarian.

1136 50-39-56.

1137 The possession or transportation of any drug except those permitted by regulations of the
1138 division within the racing enclosure is prohibited except upon a bona fide veterinarian's
1139 prescription with complete statement of uses and purposes on the container. A copy of
1140 such prescription shall be filed with the stewards. Any person knowingly violating the

1141 provisions of this Code section relating to the legal possession of drugs shall be guilty of
1142 a misdemeanor. The provisions of Chapter 13 of Title 16 shall apply in situations where
1143 drugs regulated by that chapter are within the racing enclosure.

1144 50-39-57.

1145 Any person who knowingly enters or races any horse in any running or harness race under
1146 any name or designation other than the name or designation assigned to such horse by and
1147 registered with the Jockey Club, the United States Trotting Association, the American
1148 Quarter Horse Association, or other applicable association or who knowingly instigates,
1149 engages in, or in any way furthers any act by which any horse is entered or raced in any
1150 running or trotting race under any name or designation other than the name or designation
1151 duly assigned by and registered with the Jockey Club, the United States Trotting
1152 Association, the American Quarter Horse Association, or other applicable association shall
1153 be guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for
1154 not less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

1155 50-39-58.

1156 No person shall wager on or conduct any wagering on the outcome of a horse race pursuant
1157 to the provisions of this chapter unless such person is 18 years of age or older. No person
1158 shall accept any wager from a minor. Any person violating the provisions of this Code
1159 section shall be guilty of a misdemeanor."

1160 **SECTION 2.**

1161 This Act shall become effective on January 1, 2017, provided that an amendment to the
1162 Constitution of the State of Georgia authorizing parimutuel wagering or betting on horse
1163 racing is passed by the General Assembly and ratified by the electors of this state in the 2016
1164 general election. If no such amendment is proposed by the General Assembly or if such
1165 amendment is rejected by the electors or the election to ratify the proposed amendment is not
1166 held at the time of the 2016 general election, this Act shall stand repealed by operation of law
1167 on January 1, 2017.

1168 **SECTION 3.**

1169 All laws and parts of laws in conflict with this Act are repealed.