

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 536

Introduced by Aguilar, 35; Friesen, 34; Halloran, 33.

Read first time January 19, 2021

Committee: General Affairs

- 1 A BILL FOR AN ACT relating to horseracing; to amend section 2-1207.01,
- 2 Reissue Revised Statutes of Nebraska, and section 2-1207, Revised
- 3 Statutes Cumulative Supplement, 2020; to change distribution
- 4 provisions for certain deductions from wagers as prescribed; to
- 5 harmonize provisions; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-1207, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 2-1207 (1) Within the enclosure of any racetrack where a race or
4 race meeting licensed and conducted under sections 2-1201 to 2-1218 is
5 held or at a racetrack licensed to simulcast races or conduct interstate
6 simulcasting, the parimutuel method or system of wagering on the results
7 of the respective races may be used and conducted by the licensee. Under
8 such system, the licensee may receive wagers of money from any person
9 present at such race or racetrack receiving the simulcast race or
10 conducting interstate simulcasting on any horse in a race selected by
11 such person to run first in such race, and the person so wagering shall
12 acquire an interest in the total money so wagered on all horses in such
13 race as first winners in proportion to the amount of money wagered by him
14 or her. Such licensee shall issue to each person so wagering a
15 certificate on which shall be shown the number of the race, the amount
16 wagered, and the number or name of the horse selected by such person as
17 first winner. As each race is run, at the option of the licensee, the
18 licensee may deduct from the total sum wagered on all horses as first
19 winners not less than fifteen percent or more than eighteen percent from
20 such total sum, plus the odd cents of the redistribution over the next
21 lower multiple of ten. At the option of the licensee, the licensee may
22 deduct up to and including twenty-five percent from the total sum wagered
23 by exotic wagers as defined in section 2-1208.03. The State Racing
24 Commission may authorize other levels of deduction on wagers conducted by
25 means of interstate simulcasting. The licensee shall notify the
26 commission in writing of the percentages the licensee intends to deduct
27 during the live race meet conducted by the licensee and shall notify the
28 commission at least one week in advance of any changes to such
29 percentages the licensee intends to make. The licensee shall also deduct
30 from the total sum wagered by exotic wagers, if any, the tax plus the odd
31 cents of the redistribution over the next multiple of ten as provided in

1 subsection (1) of section 2-1208.04. The balance remaining on hand shall
2 be paid out to the holders of certificates on the winning horse in the
3 proportion that the amount wagered by each certificate holder bears to
4 the total amount wagered on all horses in such race to run first. The
5 licensee may likewise receive such wagers on horses selected to run
6 second, third, or both, or in such combinations as the commission may
7 authorize, the method, procedure, and authority and right of the
8 licensee, as well as the deduction allowed to the licensee, to be as
9 specified with respect to wagers upon horses selected to run first.

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

17 (3) No person under nineteen years of age shall be permitted to make
18 any parimutuel wager, and there shall be no wagering except under the
19 parimutuel method outlined in this section. Any person, association, or
20 corporation who knowingly aids or abets a person under nineteen years of
21 age in making a parimutuel wager shall be guilty of a Class IV
22 misdemeanor.

23 Sec. 2. Section 2-1207.01, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 2-1207.01 (1)(a) The amount deducted from wagers pursuant to
26 subsection (2) of section 2-1207 shall may be used to promote agriculture
27 and horsebreeding in Nebraska. The State Racing Commission shall serve as
28 the custodian of such funds and licensees shall remit such funds to the
29 State Treasurer for credit to the State Racing Commission at the end of
30 each calendar quarter. The State Racing Commission shall solicit input
31 from interested persons regarding distribution of such amount, including

1 the organization representing the majority of thoroughbred horse breeders
2 in the state.

3 (b) The commission shall establish a process based on such input to
4 distribute such amount that may include (i) distribution to licensed
5 racetracks in Nebraska for use as purse supplements and breeder and
6 stallion awards for Nebraska-bred horses as defined and registered
7 pursuant to section 2-1213 or (ii) use by the commission or registrar of
8 Nebraska-bred horses to reasonably compensate for the expenses incurred
9 in connection with the registration of Nebraska-bred horses in addition
10 to the fees collected pursuant to section 2-1213 and shall be distributed
11 as purse supplements and breeder and stallion awards for Nebraska-bred
12 horses, as defined and registered pursuant to section 2-1213, at the
13 racetrack where the funds were generated, except that if a racetrack does
14 not continue to conduct live race meets, amounts deducted may be
15 distributed as purse supplements and breeder and stallion awards at
16 racetracks that conduct live race meets and amounts deducted pursuant to
17 a contract with the organization representing the majority of the
18 licensed owners and trainers at the racetrack's most recent live race
19 meet shall be used by that organization to promote live thoroughbred
20 horseracing in the state or as purse supplements at racetracks that
21 conduct live race meets in the state.

22 (c) Any funds deducted for the promotion of agriculture and horse
23 breeding in Nebraska pursuant to section 2-1207 prior to the effective
24 date of this act, and still retained by licensed racetracks as of the
25 effective date of this act, are subject to the distribution process
26 established by the commission pursuant to this section.

27 (d) Any costs incurred by the commission State Racing Commission
28 pursuant to this section and subsection (2) of section 2-1207 shall be
29 separately accounted for and be deducted from such funds.

30 Sec. 3. Original section 2-1207.01, Reissue Revised Statutes of
31 Nebraska, and section 2-1207, Revised Statutes Cumulative Supplement,

1 2020, are repealed.