

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1666

Short Title: Horse Racing in North Carolina.

(Public)

Sponsors: Senator Kaplan.

Referred to: Finance.

June 2, 1994

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE NORTH CAROLINA RACING COMMISSION, TO
DEVELOP A PROGRAM OF HORSE RACING FOR NORTH CAROLINA, AND
TO PROVIDE FUNDS FOR DEVELOPMENT OF THE EQUINE INDUSTRY IN
NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. The General Statutes are amended by adding a new Chapter to
read:

"CHAPTER 16A.
"NORTH CAROLINA RACING ACT.
"ARTICLE 1.
"GENERAL PROVISIONS AND DEFINITIONS.

"§ 16A-1. Short title.

This Chapter may be cited as the 'North Carolina Racing Act.'

"§ 16A-2. Findings and policy.

The General Assembly finds that horse racing events will generate additional
revenues and incentives for development of a horse training and breeding industry and
further development of the equine industry in this State, for farmland enhancement, and
for other governmental purposes, and will provide additional jobs for the residents of
the State and benefit the businesses related to tourism and recreation within the State.

It is in the public interest to provide for the establishment of a racing commission to:

- (1) Regulate horse racing;
- (2) Promote breeding and training of horses and the further development
of the equine industry in this State;

- 1 (3) Promote farmland enhancement, the development of new crops in this
2 State, and the enhancement of the State's agribusiness industry;
3 (4) To administer and enforce the provisions of this Chapter; and
4 (5) Develop a long-term plan for racing in North Carolina to determine the
5 appropriate location and number of tracks to be built in this State so as
6 to position any major track and its purse structure in the upper segment
7 of good quality tracks while creating a strong born, bred, and training
8 structure throughout the State.

9 **§ 16A-3. Definitions.**

10 Unless the context clearly otherwise requires, the following definitions apply in this
11 Chapter:

- 12 (1) 'Breeder' means the owner of a female horse at the time the female
13 horse gives birth to a North Carolina-bred horse.
14 (2) 'Breeding fund' means special funds established by the Commission
15 pursuant to the provisions of this Chapter and any applicable rules of
16 the Commission concerning the breeding, raising, and racing of horses
17 in the State.
18 (3) 'Breeding fund fee' means a fee payable to the Commission by an
19 operator pursuant to this Chapter for deposit into the appropriate
20 horse-breeding fund.
21 (4) 'Commission' or 'NCRC' means the North Carolina Racing
22 Commission which is vested with control of all horse racing in the
23 State and with power to adopt rules under which racing and wagering
24 shall be conducted.
25 (5) 'Horse racing' means any form of horse racing in which horses carry
26 human riders or pull sulkies with human riders.
27 (6) 'License' means a privilege, not a right, that is granted to the holder by
28 the Commission in accordance with the provisions of Article 3 of this
29 Chapter.
30 (7) 'Licensed facility' or 'licensed race facility' means all areas of a race
31 track's grounds, including the parking area, to which admission can be
32 obtained only by payment of an admission fee or presentation of
33 official credentials.
34 (8) 'Member' means a member of the Commission.
35 (9) 'Metro area' means the counties containing a metro area population as
36 defined for the purposes of allocating government funds by the federal
37 Office of Management and Budget.
38 (10) 'Net revenues' means all fees (other than breeding fund fees),
39 commissions and other monies received by the Commission less all
40 expenses incurred in the administration of this Chapter.
41 (11) 'North Carolina-trained horse' is a horse which is boarded and trained
42 in North Carolina when not attending racing meetings and which has
43 been trained under the rules adopted by the Commission at a North
44 Carolina Certified Training Center and is eligible for special races.

- 1 (12) 'North Carolina-bred horse' means a horse which is registered in the
2 registry designated and administered by the Commission in accordance
3 with the Commission's rules concerning domicile and registration
4 requirements.
- 5 (13) 'North Carolina stallion' means a stallion which is standing in the State
6 at the time he is bred to the dam of a North Carolina-bred horse, which
7 is registered with the Commission in accordance with the
8 Commission's rules concerning domicile and registration requirements.
- 9 (14) 'Operator' means a corporation licensed by the Commission to conduct
10 horse racing events in accordance with the provisions of this Chapter.
- 11 (15) 'Owner' means a corporation, partnership, or other business entity
12 licensed by the Commission to own a racing facility in accordance
13 with the provisions of this Chapter.
- 14 (16) 'Person' means an individual, firm, association, partnership,
15 corporation, trustee, or legal representative, and any licensee,
16 participant, or patron.
- 17 (17) 'Race track' means a flat or grass surface on which horses race.
- 18 (18) 'Racing day' means a day assigned by the Commission on which racing
19 is conducted.
- 20 (19) 'Racing meeting' means a series of days in which horse racing days are
21 not separated by more than five nonracing days.
- 22 (20) 'Resident of the State' means any one of the following:
23 a. A natural person whose principal residence is located in the
24 State; or
25 b. A natural person who does not maintain his or her principal
26 residence in the State but who owns, singly or jointly with his
27 or her spouse, real property located in the State that has an
28 original cost to that person or a current fair market value of not
29 less than one hundred thousand dollars (\$100,000); or
30 c. A corporation or partnership which has its principal place of
31 business in the State and more than fifty percent (50%) of the
32 stock or other ownership interest which is owned by natural
33 persons described in subparagraphs a. or b. of this subdivision.
- 34 (21) 'Stallion owner' means the owner of a stallion standing in the State at
35 the time he was bred to the dam of a North Carolina-bred horse.
- 36 (22) 'State' means the State of North Carolina.
- 37 (23) 'State Racing Commission' means any agency of the State with the
38 powers and duties specified in G.S. 16A-9.
- 39 (24) 'Year-round' means a race facility operating at least 10 months of the
40 year at which horse racing is conducted.

41 **"ARTICLE 2.**

42 **"THE COMMISSION.**

43 **"§ 16A-4. Commission created.**

1 (a) The North Carolina Racing Commission is established in the Department of
2 Commerce with the powers and duties specified in this Chapter. Preference shall be
3 given in making appointments to persons with knowledge about the equine industry, to
4 persons with knowledge about the racing industry, and to persons with appropriate
5 judicial temperament.

6 (b) The Commission consists of five members.

7 (c) One member shall be appointed by the Governor.

8 (d) Four members shall be appointed by the General Assembly in accordance
9 with G.S. 120-121, two upon recommendation of the President Pro Tempore of the
10 Senate and two upon recommendation of the Speaker of the House of Representatives.

11 (e) The Governor shall designate the initial Chairman of the Commission, who
12 shall serve a two-year term. After the term of the initial Chairman is completed, all
13 subsequent Chairmen shall be selected by the members of the Commission from among
14 themselves and shall serve two-year terms. No member shall serve consecutive terms as
15 Chairman.

16 (f) Of the members first appointed beginning with the effective date of this
17 Chapter, the member proposed by the Governor shall serve for two years. One member
18 recommended by the Speaker of the House of Representatives and one member
19 recommended by the President Pro Tempore of the Senate shall serve a term of four
20 years. One member recommended by the Speaker of the House of Representatives and
21 one member recommended by the President Pro Tempore of the Senate shall serve a
22 term of six years. After the expiration of the initial terms, appointments are for terms of
23 six years.

24 (g) A member of the Commission shall have been a resident of North Carolina
25 for at least five years before appointment and shall have no financial interest in any
26 racing facility. A member of the Commission shall not have been convicted of a felony
27 or of any law or rule relating to horse racing.

28 (h) An investigation into the background of each member of the Commission
29 shall be accomplished by the State Bureau of Investigation, prior to the member being
30 confirmed by the General Assembly.

31 **"§ 16A-5: Reserved.**

32 **"§ 16A-6. Removal; vacancies.**

33 In the case of a vacancy caused by the death, incapacity, resignation, or removal of a
34 member appointed by the Governor, the appointment by the Governor is for the
35 remainder of that term and is subject to approval by the General Assembly. Vacancies
36 in appointments by the General Assembly shall be filled in accordance with G.S. 120-
37 122. Each member of the Commission shall serve until a successor is duly appointed
38 and qualified.

39 **"§ 16A-7. Actions.**

40 The Commission may sue and be sued in its own name but no action may be brought
41 against the Commission or any of its members for actions taken in good faith in the
42 performance of its duties. Suits and actions may be commenced against the
43 Commission or any of its members in any court of competent jurisdiction in this State

1 by the service on the Secretary of State of any summons, process, or pleadings
2 authorized by the laws of this State.

3 If any summons, process, or pleadings is served upon the Secretary of State, it shall
4 be by duplicate copies. One copy shall be retained in the office of the Secretary of State
5 and the other copy shall be forwarded immediately by certified mail to the Chairman of
6 the Commission at the current address of the Commission. The Executive Secretary of
7 the Commission shall inform the Secretary of State of the mailing address of the
8 Commission and any changes.

9 **"§ 16A-8. Annual report.**

10 (a) The Commission shall submit an annual report to the Governor and the
11 General Assembly on February 15 of each year. This report shall contain information
12 necessary for the proper oversight of the Commission's operations and responsibilities,
13 including:

- 14 (1) The Commission's activities for the prior year;
- 15 (2) The Commission's organizational structure and personnel;
- 16 (3) The Commission's receipts and disbursements;
- 17 (4) The Commission's recommendations for changes in the laws relating
18 to racing;
- 19 (5) The impact of horse racing on economic development in this State,
20 including the impact on travel and tourism and agriculture;
- 21 (6) Multiyear projections on the future costs of operating the Commission
22 and on regulating horse racing in this State; and
- 23 (7) Recommendations to enhance the development of horse racing in
24 North Carolina.

25 **"§ 16A-9. Commission powers and duties.**

26 The Commission is vested with control of all horse racing in the State and may
27 adopt rules under which racing shall be conducted and under which this Chapter shall be
28 implemented and, in addition, has the following specific powers and duties:

- 29 (1) To issue permits to build only quality racing facilities that are designed
30 to permit year-round racing;
- 31 (2) To assign dates and adopt rules for the conduct of horse racing;
- 32 (3) To license all racing personnel and to adopt licenses as provided in this
33 Chapter;
- 34 (4) To enforce all laws and rules governing horse racing;
- 35 (5) To audit books and distribute funds and to collect and distribute all
36 taxes as provided for in this Chapter;
- 37 (6) To conduct necessary investigations and inquiries and compel the
38 submission of information, documents, and records it deems necessary
39 to carry out its duties;
- 40 (7) To initiate hearings or appeals of alleged wrongdoings;
- 41 (8) To provide testing facilities for racing animals;
- 42 (9) To employ and supervise personnel under the laws of this Chapter;
- 43 (10) To ensure that all operations are cleanly, efficiently, safely, and
44 honestly run;

- 1 (11) To take all necessary steps to ensure the integrity of racing in North
2 Carolina; and
3 (12) To maintain the goal of service to the public within the objectives of
4 developing the agribusiness, the equine, and the travel and tourism
5 industries in North Carolina.

6 **"§ 16A-10. Executive Secretary.**

7 (a) The Executive Secretary is in charge of executing the rules adopted by the
8 Commission and conducting the business of the Commission. The Executive Secretary
9 shall guarantee that pertinent records and statistics are kept for use in annual reports to
10 appropriate parties and coordinate this information with other states in the Association
11 of Racing Commissioners, International, and other organizations acceptable to the
12 Commission.

13 (b) The Executive Secretary is responsible for the licensing department and the
14 racing field personnel. The Executive Secretary is responsible for hiring and supervising
15 the office force necessary to carry out the Commission's duties, including the field
16 personnel under the Commission's jurisdiction. The Executive Secretary furnishes staff
17 support to the State Steward.

18 (c) The Executive Secretary shall receive a salary in an amount established by
19 the Commission plus travel and subsistence allowance in accordance with G.S. 136-6.

20 (d) The Executive Secretary shall be the administrative officer of the
21 Commission and shall hire, organize, and direct any personnel necessary to carry out the
22 functions and responsibilities assigned by the Commission, including a Chief of Racing
23 Security and a Medical Officer whose duties are set forth in subsequent sections of this
24 Chapter. All personnel except the Executive Secretary shall be subject to the provisions
25 of the State Personnel Act.

26 (e) In addition to the above-listed duties the Executive Secretary shall perform
27 the following:

- 28 (1) Take and preserve records of all proceedings before the Commission,
29 maintain its books, documents, and records, and make them available
30 for public inspection as the Commission directs;
31 (2) If so designated by the Commission, to act as a hearing officer in
32 hearings conducted under the Administrative Procedure Act, to
33 conduct hearings, receive testimony and exhibits, and certify the
34 record of proceedings to the Commission;
35 (3) Act as the Commission's chief personnel officer and supervise the
36 employment, conduct, duties, and discipline of all Commission
37 employees; and
38 (4) Perform other duties as directed by the Commission.

39 **"§ 16A-11: Reserved.**

40 **"§ 16A-12. Chief of Racing Security.**

41 (a) The Executive Secretary may appoint a Chief of Racing Security.

42 (b) The Chief of Racing Security shall devote full time to the duties of the
43 position while employed by the Commission. The Chief of Racing Security shall
44 enforce all laws and Commission rules relating to the security and integrity of racing.

1 (c) Chief of Racing Security and all other persons designated by the Commission
2 as security officers shall have free and open access to all areas of all facilities the
3 Commission licenses and may search without a search warrant any part of a licensed
4 race facility and the person of any licensee of the Commission on the premises.

5 (d) The Chief of Racing Security may order a licensee to take, at the licensee's
6 expense, security measures that are necessary to protect the integrity of racing, but the
7 order may be appealed to the Commission.

8 (e) Nothing in this Chapter prohibits other law enforcement authorities and
9 agents from entering premises licensed under this Chapter, in the performance of their
10 duties.

11 (f) If no Chief of Racing Security is appointed, the duties of the position are
12 assigned to the Executive Secretary. The Commission may contract with outside
13 services or personnel to assist the Executive Secretary in the performance of these
14 duties.

15 (g) In extraordinary circumstances, when the Chief of Racing Security
16 determines that the integrity or efficiency of the Commission is in jeopardy, the Chief of
17 Racing Security shall have direct access to the Commission and using this direct access
18 shall not be considered 'just cause' for any disciplinary action under Chapter 126A of
19 the General Statutes, the State Personnel Act.

20 **"§ 16A-13. Medical services.**

21 (a) The Executive Secretary may appoint a Medical Officer, who shall be a
22 doctor of veterinary medicine licensed in the State of North Carolina.

23 (b) The Medical Officer shall, while employed by the Commission, devote full
24 time to the duties of the position, which are:

25 (1) To supervise the formulation, administration, and evaluation of all
26 medical tests the Commission's rules require or authorize;

27 (2) To advise the Commission on all aspects of veterinary medicine
28 relating to its powers and duties;

29 (3) To supervise all personnel involved in medical testing, subject to the
30 supervision of the Executive Secretary;

31 (4) To supervise the taking of samples from winning animals and others at
32 random and to forward these samples to the State Chemist for analysis
33 (test barn personnel shall assist the Medical Officer in the collection of
34 the samples);

35 (5) To observe the conduct and efficiency of the facility's appointed
36 veterinarians; and

37 (6) To make inspections of the barn areas for cleanliness and ensure that
38 living and working conditions are compatible with the standards set by
39 the Commission for both horses and personnel at licensed facilities.

40 (c) If no Medical Officer is appointed, the duties of the position may be assigned
41 to the Executive Secretary.

42 (d) In extraordinary circumstances, when the Medical Officer determines that the
43 integrity or efficiency of the Commission is in jeopardy, the Medical Officer shall have
44 direct access to the Commission and using this direct access shall not be considered 'just

1 cause' for any disciplinary action under Chapter 126A of the General Statutes, the State
2 Personnel Act.

3 (e) The Commission may obtain medical services and services for testing the
4 blood, urine, saliva, and other samples taken from horses at licensed facilities, as
5 necessary, by entering into a contract with the School of Veterinary Medicine, North
6 Carolina State University.

7 **"§ 16A-14. Other employees; staff.**

8 (a) Subject to the applicable laws, the Commission shall employ and assign
9 duties to other officers, employees, agents, and field personnel it deems necessary to
10 discharge its functions.

11 (b) Commission personnel are subject to the same laws, particularly conflict of
12 interest, as are the members of the Commission.

13 **"§ 16A-15. Assistance.**

14 The Commission may request assistance from any department or agency of the State
15 in fulfilling its duties and shall make appropriate reimbursement for any assistance and
16 services provided by other governmental entities.

17 **"§ 16A-16. Reserved.**

18 **"ARTICLE 3.**

19 **"LICENSING.**

20 **"§ 16A-17. License required.**

21 (a) In order to guarantee the integrity of horse racing in North Carolina, and to
22 provide for adequate control and supervision of all persons involved with horse racing
23 by the Commission, all persons, other than admission paying patrons or other members
24 of the general public attending the horse races at licensed facilities, shall be licensed by
25 the Commission.

26 (b) No person may engage in any of the activities listed in G.S. 16A-20 without
27 first having obtained the appropriate license from the Commission.

28 **"§ 16A-18. Drug testing.**

29 The Commission may require that all licensed personnel shall sign waivers allowing
30 drug testing.

31 **"§ 16A-19. Licenses nontransferable.**

32 A license issued under this Chapter may not be transferred.

33 **"§ 16A-20. Classes.**

34 (a) The Commission may issue five classes of licenses:

- 35 (1) Class A ownership licenses. For the ownership and use of a race
36 facility with horse racing;
- 37 (2) Class B operator licenses. For the function, sponsorship, and
38 management of horse racing;
- 39 (3) Class C occupational licenses. For the privilege of engaging in certain
40 occupations relating to horse racing;
- 41 (4) Class D special licenses. For the privilege of engaging in certain
42 occupations, services, events, and promotions that by their nature
43 require State sanction and control. This includes any special events,
44 promotions, or public service performances by or for associations

1 which by their size and/or nature necessitate the approval or
2 cooperation of various other governmental agencies; and

3 (b) All application forms for licenses shall contain a statement to the effect that
4 by accepting a license from the Commission, a licensee consents to having his property
5 or person subject to inspection at any time by the Chief of Racing Security or by
6 security officers designated by the Commission.

7 **"§ 16A-21. Policy.**

8 (a) Insofar as practical, the Commission shall follow the guidelines on the
9 uniform licensing rules adopted by the Association of State Racing Commissioners,
10 International.

11 (b) It shall be the policy of the Commission to favor the applications for Class A
12 licenses from applicants which are corporations with widespread ownership of stock or
13 which are limited partnerships, provided the majority of stockholders or partners are
14 residents of this State.

15 **"§ 16A-22. Class A license application.**

16 (a) The Commission may issue one or more Class A licenses.

17 (b) An application for a Class A license shall be on a form the Commission
18 prescribes and shall be accompanied by detailed plans and specifications of the
19 facilities, buildings, fences, and other improvements as well as possible future additions
20 including living quarters or other buildings around the outside perimeter of the oval
21 racing track. An application for a Class A license shall be accompanied with a
22 nonrefundable application fee of one hundred thousand dollars (\$100,000).

23 (c) The application shall contain:

24 (1) The name and address of the applicant and, if it is a corporation, the
25 names and addresses of all officers and directors, and the names of all
26 shareholders of the corporation, foreign corporation, partnership or
27 joint venture, and any of its holding corporations;

28 (2) If required by the Commission, the names of any person or persons
29 holding directly, indirectly, or beneficially an interest of any kind in
30 the applicant or any of its holding corporations, whether the interest is
31 financial, administrative, policy-making, or supervisory;

32 (3) A statement of the assets and liabilities of the applicants, and any other
33 information that the Commission deems appropriate regarding the
34 character and responsibility of the applicant and the members,
35 partners, stockholders, officers, and directors of the applicant;

36 (4) An affidavit executed by the applicant setting forth that no officer,
37 director, or other person with a present or inchoate direct or indirect
38 financial or management interest in the race facility, to the best of the
39 applicant's knowledge:

40 a. Is in default in the payment of an obligation or debt to the State
41 under the current General Statutes of North Carolina;

42 b. Has ever been convicted of a felony in a state or federal court or
43 has a state or federal felony charge pending;

- 1 c. Is or has been connected with or engaged in any illegal
2 business;
3 d. Has ever been found guilty of fraud or misrepresentation or a
4 false statement in connection with racing or breeding;
5 e. Has ever been found guilty of a violation of a law or rule
6 relating to horse racing which is a serious violation as defined
7 by the Commission's rules;
8 f. Has ever knowingly violated a rule or order of the Commission
9 or a law of North Carolina relating to racing; or
10 g. Is not qualified to do business in North Carolina or is not
11 subject to the jurisdiction of the courts of the State.

- 12 (5) An irrevocable consent statement, to be signed by the applicant, which
13 states that suits and actions relating to the subject matter of the
14 application or acts or omissions arising from it may be commenced
15 against the applicant in any court of competent jurisdiction in this State
16 by the service on the Secretary of State of any summons, process, or
17 pleadings authorized by the laws of this State.

18 If any summons, process, or pleadings is served upon the Secretary
19 of State, it shall be by duplicate copies. One copy shall be retained in
20 the office of the Secretary of State and the other copy shall be
21 forwarded immediately by certified mail to the address of the
22 applicant, as shown by the records of the Commission; and

- 23 (6) Any other information which the Commission in its discretion deems
24 appropriate.

25 **"§ 16A-23. Denial of license.**

26 The Commission shall deny a license to any applicant unless it finds as follows:

- 27 (1) That over fifty percent (50%) of the natural persons having an
28 ownership interest in the applicant, either directly or indirectly, shall
29 have been residents of the State continuously for a period of five years
30 next preceding the date of the application in question; and
31 (2) That the applicant's facilities will meet the following minimum
32 standards:
33 a. That the primary horse racing facility will provide a track
34 racing surface of at least one mile for horse racing;
35 b. That the facilities will be designed with quality construction and
36 weather protection for year-round racing and shall have
37 sufficient parking to avoid traffic congestion;
38 c. That racing surfaces designed for harness racing shall be at least
39 five-eighths of a mile in length, except for racing surfaces at the
40 State fair or at county fairs; and
41 d. That facilities will be appropriately heated and air-conditioned
42 for the conduct of a year-round operation.

43 **"§ 16A-24. License statement.**

1 (a) Every license issued by the Commission shall contain a statement to the
2 effect that the license is a privilege granted by the State and that all forms of racing
3 conducted under the license shall be subject to the provisions of this Chapter and to the
4 rules issued by the Commission.

5 (b) An owner's license shall state the name of the person to whom the license is
6 issued, the duration of the license, the location of the proposed race facility or simulcast
7 facility, and any other conditions of the license and related information that the
8 Commission deems proper.

9 **"§ 16A-25. Hearing.**

10 Before granting a Class A license, the Commission shall:

11 (1) Hold at least one public hearing in the area where the race facility is or
12 will be located.

13 (2) Request comments on the application from the governing body of the
14 city or town where the facility is or will be located, or from the county
15 board of commissioners if it is to be located outside a city or town and
16 from the appropriate regional council of governments, as the case may
17 be.

18 **"§ 16A-26. Investigation.**

19 (a) Before granting a Class A license, the Commission shall conduct, or request
20 that the State Bureau of Investigation conduct, a comprehensive background and
21 financial investigation of the applicant and its sources of financing.

22 (b) The Commission may charge an applicant an investigation fee, in an amount
23 determined by the Commission, to cover the cost of the investigation.

24 (c) If the Commission requests that the State Bureau of Investigation conduct the
25 investigation, the Commission shall reimburse the State Bureau of Investigation for its
26 share of the cost of the investigation.

27 (d) The Commission shall have access to all criminal history data compiled by
28 the State Bureau of Investigation on Class A licenses and applicants.

29 **"§ 16A-27. License issuance.**

30 (a) In the granting of licenses and allocating dates for racing, the Commission
31 shall give due consideration to:

32 (1) The character, reputation, experience, and financial integrity of the
33 applicants;

34 (2) Their facilities and accommodations for the conduct of racing
35 meetings;

36 (3) The location of the facilities in relation to: the principal centers of
37 population, the other principal cities, and the major resort areas of the
38 State; and

39 (4) Other factors which in the discretion of the Commission are worthy of
40 consideration.

41 (b) If, after considering the information received at the hearing or investigations
42 and the comments requested under G.S. 16A-25, the Commission determines:

43 (1) That the license will not adversely affect the public health, welfare,
44 and safety;

- 1 (2) That the race facility will be operated in accordance with all applicable
2 laws and rules;
3 (3) That the license will not create a competitive situation that will
4 adversely affect racing and the public interest; and
5 (4) That the applicant is financially able to operate a licensed race facility;
6 it may issue a Class A license to the applicant.

7 The license is effective until revoked or suspended by the Commission or
8 relinquished by the licensee.

9 **"§ 16A-28. Prohibited locations.**

10 The Commission shall issue rules on the permitted and prohibited locations for all
11 licensed facilities, including race tracks.

12 **"§ 16A-29. Changes in ownership or management.**

13 If a change in the officers, directors, shareholders, or other persons with a present or
14 inchoate direct or indirect financial or management interest in the licensee, or a change
15 of ownership of more than five percent (5%) of the licensee's shares, is made after the
16 application is filed or the license issued, the applicant or licensee shall notify the
17 Commission of the changes within five days of their occurrence and provide the
18 affidavit required by G.S. 16A-22(4).

19 **"§ 16A-30. License suspension and revocation.**

20 (a) The Commission may revoke a Class A license for a violation of law, order,
21 or rule which in the Commission's opinion adversely affects the integrity of horse racing
22 in North Carolina, or for an intentional false statement made in a license application, or
23 for a willful failure to pay any money required to be paid under this Chapter, or for
24 failure to perform material covenants or representations made in a license application.

25 (b) The Commission may suspend a Class A license for up to one year for a
26 violation of law, order, or rule which in the Commission's opinion adversely affects the
27 integrity of horse racing in North Carolina, and it may suspend a Class A license
28 indefinitely if it determines that the licensee has an officer, director, shareholder, or
29 other person with a direct, indirect, or beneficial interest in the licensee who is a person
30 who is in the Commission's opinion inimical to the integrity of horse racing in North
31 Carolina or who cannot be certified under G.S. 16A-22(c)(4).

32 (c) If the holder of a Class A, B, or D license is found to have more than fifty
33 percent (50%) ownership or control by residents outside of this State, then the holder
34 shall be considered inimical to the integrity and best interests of racing in North
35 Carolina and shall be subject to license suspension and revocation provided the licensee
36 has not complied by remedying the situation by a reasonable procedure and within a
37 specified time allowance as ordered by the Commission.

38 (d) A license revocation or suspension under this subdivision is a contested case
39 under the North Carolina Administrative Procedure Act, Chapter 150B of the General
40 Statutes. In addition, criminal penalties may be imposed as provided in Article 5.

41 **"§ 16A-31. Multiple licenses.**

42 A licensee may be permitted to hold multiple Class A licenses or Class A and Class
43 B licenses provided the applicant is a corporation or partnership with widespread
44 ownership of the stock or limited partnership interests held by North Carolina residents.

1 **"§ 16A-32. Work areas.**

2 A Class A licensee shall provide, at no cost to the Commission, suitable work areas
3 for Commission members, officers, employees, and agents who are directed by the
4 Commission to supervise and control racing at the licensed race facility.

5 **"§ 16A-33. Class B license application.**

6 (a) The Commission may issue one or more Class B licenses for the operation,
7 sponsorship, and management of race facilities.

8 (b) The application for a Class B license shall be on a form the Commission
9 prescribes and shall be accompanied by a bond in the principal amount of five hundred
10 thousand dollars (\$500,000) payable to the State of North Carolina conditioned upon the
11 licensee's payment of all fees, taxes, and other money due and payable under this
12 Chapter, including the horse owner's purses.

13 (c) The application shall contain:

14 (1) The name and address of the applicant, and if it is a corporation or
15 association, the names of all officers, directors, and shareholders,
16 including those of any of its holding companies;

17 (2) If required by the Commission, the names of any person or persons
18 holding, directly, indirectly, or beneficially, an interest of any kind in
19 the applicant or of any of its holding companies, whether the interest is
20 financial, administrative, policy-making, or supervisory;

21 (3) A statement of the assets and liabilities of the applicant;

22 (4) An affidavit of the type described in G.S. 16A-22(c)(4); and

23 (5) An irrevocable consent statement to be signed by the applicant, which
24 states that suits and actions relating to the subject matter of the
25 application or acts or omissions arising from it may be commenced
26 against the applicant in any court of competent jurisdiction in this State
27 by the service on the Secretary of State of any summons, process, or
28 pleadings authorized by the laws of this State.

29 If any summons, process, or pleadings is served upon the Secretary
30 of State, it shall be by duplicate copies. One copy shall be retained in
31 the office of the Secretary of State and the other copy shall be
32 forwarded immediately by certified mail to the address of the
33 applicant, as shown by the records of the Commission.

34 **"§ 16A-34. Hearings; investigations.**

35 (a) Before granting an initial Class B license, the Commission shall hold at least
36 one public hearing on the license.

37 (b) Comprehensive investigations shall be conducted and their costs paid in the
38 manner prescribed by G.S. 16A-26.

39 (c) The Commission shall have access to all criminal history data compiled by
40 the State Bureau of Investigation on Class B licensees and applicants.

41 **"§ 16A-35. License issuance.**

42 (a) If, after considering the information received from the hearing and
43 investigations, the Commission determines that:

- 1 (1) The applicant will conduct horse racing in accordance with all
- 2 applicable laws and rules;
- 3 (2) The issuance of a license will not adversely affect the public health,
- 4 welfare, and safety;
- 5 (3) The license will not create a competitive situation that will adversely
- 6 affect racing and the public interest; and
- 7 (4) The applicant is fit to sponsor and manage racing;

8 then, the Commission may issue a Class B license.

9 (b) The license shall be granted for a period of 20 years, but it shall be reviewed

10 annually.

11 **"§ 16A-36. Renewal.**

12 On making the same determination required in G.S. 16A-25, the Commission may

13 renew a Class B license without a hearing.

14 **"§ 16A-37. Changes in ownership or management.**

15 If a change in the officers, directors, or other persons with a direct or indirect

16 financial or management interest in the licensee or a change of ownership of more than

17 five percent (5%) of the licensee's shares is made after the initial application or license

18 issuance, the applicant or licensee shall notify the Commission of the changes within

19 five days of their occurrence and provide the affidavit required in G.S. 16A-22(c)(4).

20 **"§ 16A-38. License suspension and revocation.**

21 (a) Suspension, revocation, and refusal to renew a Class B license is as provided

22 in G.S. 16A-30.

23 (b) A license suspension or revocation or a refusal to renew a Class B license is a

24 contested case under the North Carolina Administrative Procedure Act.

25 **"§ 16A-39. Authority to issue Class C occupational licenses.**

26 The Commission may issue Class C occupational licenses to persons who wish to be

27 employed in horse racing as:

- 28 (1) Horse owners or lessees;
- 29 (2) Jockeys or drivers;
- 30 (3) Exercise workers;
- 31 (4) Grooms;
- 32 (5) Trainers and their assistants;
- 33 (6) Security officers;
- 34 (7) Other occupations the Commission determines require licensing to
- 35 guarantee the integrity of horse racing in North Carolina.

36 **"§ 16A-40. License agreements.**

37 The Commission may enter into agreements with comparable bodies in other racing

38 jurisdictions for the mutual recognition of occupational licenses issued by each body.

39 The Commission may, by rule, provide for and may charge a fee to be determined by

40 the Commission for the registration of each license issued in another jurisdiction.

41 **"§ 16A-41. Application.**

42 An application for a Class C license shall be on a form the Commission prescribes

43 and shall be accompanied by an affidavit of qualification that the applicant:

- 44 (1) Is not in default in the payment of an obligation or debt to the State;

- 1 (2) Has never been convicted of a felony in a state or federal court and
2 does not have a state or federal felony charge pending;
3 (3) Is not and never has been connected with or engaged in an illegal
4 business;
5 (4) Has never been found guilty of fraud or misrepresentation in
6 connection with racing or breeding;
7 (5) Has never been found guilty of a violation of law or rule relating to
8 horse racing, which is a serious violation as defined by the
9 Commission's rules; and
10 (6) Has never knowingly violated a rule or order of the Commission or a
11 law of North Carolina relating to racing.

12 The application shall also contain an irrevocable consent statement, to be signed by
13 the applicant, which states that suits and actions relating to the subject matter of the
14 application or acts or omissions arising from it may be commenced against the applicant
15 in any court of competent jurisdiction in this State by the service on the Secretary of
16 State of any summons, process, or pleading authorized by the laws of this State.

17 If any summons, process, or pleading is served upon the Secretary of State, it shall be
18 by duplicate copies. One copy shall be retained in the office of the Secretary of State
19 and the other copy shall be forwarded immediately by certified mail to the address of
20 the applicant, as shown by the records of the Commission.

21 **"§ 16A-42. Investigations.**

22 (a) The Commission shall investigate each applicant for a Class C license to the
23 extent it deems necessary and may request the assistance of and may reimburse the State
24 Bureau of Investigation in investigating applicants.

25 (b) The Commission may by rule require that an applicant be fingerprinted or
26 furnish his fingerprints. Investigations shall be conducted and their costs paid in the
27 manner prescribed by G.S. 16A-26.

28 (c) The Commission may cooperate with national and international organizations
29 and agencies in conducting investigations.

30 (d) The Commission may, by rule, provide for examining the qualifications of an
31 applicant for the license for which the application is being made.

32 (e) The Commission shall have access to all criminal history data compiled by
33 the State Bureau of Investigation on Class C applicants and licensees.

34 **"§ 16A-43. License issuance and renewal.**

35 (a) If the Commission determines that the applicant is qualified for the
36 occupation for which licensing is sought and issuance of a license will not adversely
37 affect the public health, welfare, and safety or the integrity of racing in North Carolina,
38 it may issue a Class C license to the applicant.

39 (b) If the Commission makes a similar finding for a renewal of a Class C license,
40 it may renew the license.

41 (c) Class C licenses are effective for one year.

42 **"§ 16A-44. License suspension and revocation.**

1 (a) The Commission may revoke a Class C license for a violation of law or rule
2 which in the Commission's opinion adversely affects the integrity of horse racing in
3 North Carolina or for an intentional false statement made in a license application.

4 (b) The Commission may suspend a Class C license for up to one year for a
5 violation of law, order, or rule.

6 (c) The Commission may delegate to its designated agents the authority to
7 impose suspensions of Class C licenses, and the suspension may be appealed to the
8 Commission according to its rules.

9 (d) A license revocation or suspension is a contested case under the North
10 Carolina Administrative Procedure Act.

11 **"§ 16A-45. Application for Class D license.**

12 (a) The Commission may issue special privilege Class D licenses to Class B
13 license holders for engaging in activities listed in G.S. 16A-20(4) while operating,
14 conducting, and managing horse racing.

15 (b) An application for a Class D license shall be on a form the Commission
16 prescribes. An application for a Class D license shall be accompanied by detailed plans
17 and specifications of the event, promotion, services, logistics, and other details
18 requested by the Commission.

19 **"§ 16A-46. Occupational licenses.**

20 (a) A person who participates in the management or conduct of horse racing
21 holding a Class D license, who is in an occupation listed in G.S. 16A-39, shall have a
22 Class C license from the Commission except for active members of nonprofit
23 organizations who act without compensation as concession workers, or grounds
24 attendants.

25 (b) The Commission shall issue regulations and shall make decisions that are
26 designed to increase the likelihood of employment for North Carolina citizens as
27 occupational licensees without harming the racing industry.

28 **"§ 16A-47. Hearing.**

29 Before granting an initial application for a Class D license, the Commission may
30 hold a public hearing in the county where the license is to be issued, and if the race
31 facility to be licensed is within a city or town, it may also request comments on the
32 application from the governing body of the city or town.

33 **"§ 16A-48. Issuance of Class D license.**

34 (a) If after considering the information received at any hearing or hearings and
35 considering the comments requested under G.S. 16A-47, the Commission determines
36 that the license will not adversely affect the public health, welfare, and safety and that
37 the racing to be licensed will be conducted in accordance with all applicable laws and
38 rules, it may issue a Class D license to the applicant.

39 (b) The license shall be valid for a period of one year or less, with the term to be
40 specified in the license.

41 **"§ 16A-49. Renewal.**

42 After making the determinations required in G.S. 16A-47, the Commission may
43 renew a Class D license without a hearing.

44 **"§ 16A-49.1. Revocation and suspension.**

1 (a) Revocation and suspension of Class D licenses, and refusals to renew Class D
2 licenses, are as provided in G.S. 16A-30.

3 (b) A license suspension or revocation or a refusal to renew a Class D license is a
4 contested case under the North Carolina Administrative Procedure Act.

5 (c) Criminal penalties may also be imposed as provided in Article 5 of this
6 Chapter.

7 **"§ 16A-49.2. License fees.**

8 (a) The fee for a Class A license is twelve thousand dollars (\$12,000) payable at
9 two thousand dollars (\$2,000) per month for a period of six months from the date of
10 issuance of the owner's license to the date of the beginning of the operation of the
11 related race facility. The license fee shall be used by the Commission for operating
12 expenses prior to the beginning of operation of the race facility.

13 (b) The fee for a Class B horse racing license is one hundred dollars (\$100.00)
14 for each assigned racing day on which racing is actually conducted.

15 (c) Fees imposed on Class B and Class D licenses shall be paid to the
16 Commission at the time and in the manner provided by rules adopted by the
17 Commission.

18 (d) The Commission shall adopt rules establishing an annual license fee for each
19 occupation it licenses under G.S. 16A-39, but no annual fee for a Class C license may
20 exceed one hundred dollars (\$100.00).

21 (e) All license fees received by the Commission shall be paid into the
22 Commission's State Treasurer disbursement account, according to G.S. 16A-63.

23 **"ARTICLE 4.**

24 **"WAGERING/TV/RACE DATES/STEWARDS.**

25 **"§ 16A-57. Purses.**

26 **"§ 16A-62. Breeding funds.**

27 (a) The Commission shall establish the North Carolina Horse Breeding and
28 Development Funds with the respective monies from horse racing paid to it under G.S.
29 16A-58.

30 (b) The Commission shall issue rules that shall provide that after paying the
31 current cost of administering the funds, the remaining funds shall be distributed for:

32 (1) North Carolina Purse Enrichment;

33 (2) Breeders Awards;

34 (3) North Carolina Stallion Owner Awards;

35 (4) Owners Premium Awards; and

36 (5) Research related to racing horses.

37 (c) The Commission shall issue rules defining the requirements for qualifying for
38 payments under subsection (b) of this section and for the distribution of the funds.

39 (d) The Commission may establish advisory committees to advise it on the
40 distribution of money under this section, provided that the members of any advisory
41 committee shall serve without compensation.

42 **"§ 16A-63. Distribution of taxes and fees collected by the Commission.**

43 (a) The Commission shall distribute all money received under this section and all
44 money received from license fees in the following manner:

- 1 (1) All money designated for deposit in the North Carolina Horse
2 Breeding and Development Funds shall be paid into those funds for
3 distribution under G.S. 16A-62.
- 4 (2) Revenue from an additional admissions tax of ten cents (10¢) per
5 person imposed under G.S. 16A-58 shall be paid to the local unit of
6 government at whose request it was imposed, at times and in the
7 manner the Commission, by rule, determines.
- 8 (3) All other revenues received under this Chapter by the Commission,
9 and all license fees and other revenues it receives, shall be paid to the
10 Commission and shall be deposited by the State Treasurer to the
11 account of the Commission.

12 All monies remaining after (i) the payment of all expenses incurred in the
13 administration of this Chapter; and (ii) the deposit into the North Carolina Horse
14 Breeding and Development Funds of all amounts required by G.S. 16A-52, shall be
15 allocated, combined by the Commission with other excess funds, or paid not less
16 frequently than once each calendar year, twenty-five percent (25%) to:

- 17 (1) Agricultural research;
18 (2) Agriculture extension education (includes 4-H);
19 (3) Nonracing horse breeds;
20 (4) North Carolina State University Veterinary Teaching Hospital to be
21 used to help develop the laboratory facilities needed for drug testing
22 and drug research;
23 (5) Agricultural program at North Carolina A&T University; and
24 (6) Other allocations as specified by the General Assembly for any fiscal
25 year in furtherance of the purposes of this Chapter.

26 The remaining seventy-five percent (75%) and any other funds not allocated to these
27 programs will be returned to the State Treasurer for deposit in the General Fund.

28 (b) If any allocation of any portion of the net revenues of the Commission
29 pursuant to any provision of this Article cannot be made for any reason, then the failure
30 of the allocation shall not impair the validity or effectiveness of any part of this Chapter
31 other than the provisions specifically providing for that allocation, nor shall the failure
32 of the allocation adversely affect any other allocation of net revenues under this
33 Chapter.

34 **"§ 16A-64. Policy.**

35 It is expressly declared that the primary purpose of this Chapter is to provide a
36 means for permitting and regulating horse racing and, further, that it is not a primary
37 purpose of this Chapter to provide funds for the various governmental bodies and public
38 or private institutions and organizations to which allocations or portions of the net
39 revenues of the Commission are made pursuant to this Article. The allocations of any
40 net revenues made pursuant to this Article represent the legislative effort to confer
41 incidental incentives and benefits upon a spectrum of animal, agricultural, and
42 governmental activities that develop the State's tourism, equine industry, and farmland
43 usage.

44 **"§§ 16A-65, 16A-66: Reserved.**

1 **"§ 16A-67. Racing dates.**

2 (a) An operator's racing license issued under this Chapter shall permit the holder
3 to conduct one or more race meetings each year at the race facility to which the license
4 applies.

5 **"§ 16A-68. Assignment of racing days.**

6 (a) The Commission shall assign racing days to each licensee authorized to
7 conduct racing and a licensee may conduct matinee and evening racing only on a racing
8 day assigned by the Commission.

9 (b) The Commission may assign racing days for up to three years beyond the
10 year in which the assignment is made.

11 (c) The assignments of racing days in any year shall be made by July 1 of the
12 previous year, except that days may be assigned after that date to a licensee whose
13 license is issued after that date.

14 **"§ 16A-69. Racing days; hearing.**

15 (a) A public hearing is required before the Commission may:

16 (1) Make an assignment of racing days;

17 (2) Revise the assignment during the year; or

18 (3) Assign racing days to a licensee whose license is issued after the initial
19 assignment.

20 (b) The Commission may, without a hearing, assign one additional racing day to
21 a licensee for each originally assigned racing day during the same racing meeting on
22 which racing was not conducted for reasons beyond the licensee's control.

23 **"§ 16A-70. Prohibited assignments.**

24 (a) The Commission may not assign a license for racing days to any facility not
25 in operation at least 10 months out of the year offering horse racing.

26 (b) The Commission may not assign a licensee for county fair racing days;
27 however, all racing facilities shall advertise to their patrons county fair events and
28 agricultural products produced in the State.

29 **"§ 16A-71. Rescinding of racing days.**

30 The Commission may, after a public hearing, rescind one or more racing days
31 assigned to a licensee if it determines that the licensee has not met or will not meet the
32 terms of the license. A rescinded day or days may be reassigned to another licensee.

33 **"§ 16A-72. Stewards; powers and duties.**

34 (a) All horse races run at a licensed race facility shall be presided over by a board
35 of three stewards, two of whom shall be appointees of the Commission or persons
36 approved by it, and one appointed by the licensee conducting the race meeting.

37 (b) The Commission shall designate one steward as chairman.

38 (c) At least two stewards for all races shall be employees of the Commission, and
39 they shall be exempt from the State Personnel Act.

40 (d) The Commission may delegate the following powers and duties to a board of
41 stewards:

42 (1) To ensure that races are run in accordance with the Commission's
43 rules;

44 (2) To supervise the conduct of racing to ensure the integrity of the sport;

- 1 (3) To settle disputes arising from the running of horse races and to certify
2 official results;
3 (4) To impose on licensees, for violation of law or Commission rules,
4 finances not exceeding five hundred dollars (\$500.00) and license
5 suspensions not exceeding 30 days;
6 (5) To recommend to the Commission where penalties are warranted in
7 excess of those in subdivision (4);
8 (6) To otherwise enforce the laws and rules of racing; and
9 (7) To perform other duties and have other powers assigned by the
10 Commission.

11 **"§ 16A-73. Board of stewards; appeals, hearings.**

12 (a) A ruling of a board of stewards may be appealed to the Commission or be
13 reviewed by it on its own initiative.

14 (b) The Commission may provide for appeals to be heard by less than a quorum
15 of the Commission.

16 (c) A hearing on a penalty imposed by a board of stewards shall be granted on
17 request.

18 (d) A Commission decision with regard to a ruling by a board of stewards
19 constitutes a final agency decision for purposes of appeal under Chapter 150B of the
20 General Statutes.

21 **"§ 16A-74. Board of stewards; procedural powers.**

22 A board of stewards may administer oaths, issue subpoenas, order the production of
23 documents and other evidence, and regulate the course of hearings before it, according
24 to the Commission's rules.

25 **"§ 16A-75. Board of stewards; rules.**

26 The Commission may adopt rules governing the qualifications, appointment,
27 approval, authority, removal, and compensation of stewards.

28 **"§ 16A-76. Board of stewards; costs.**

29 The Commission may require that a licensee reimburse it for the costs of providing a
30 State-paid steward or stewards to supervise racing at the licensee's race facility.

31 **"§ 16A-77. Board of stewards; compensation.**

32 The total compensation of stewards who are not employees of the Commission shall
33 be commensurate with the compensation of stewards who are Commission employees.

34 **"ARTICLE 5.**

35 **"JUDICIAL.**

36 **"§ 16A-78. Contracts.**

37 (a) The Commission shall by rule require that all contracts entered into by Class
38 A, Class B, or Class D licensees for the provision of goods or services, including
39 concessions contracts, be subject to Commission approval.

40 (b) The Commission may require a contract holder to submit to it documents and
41 records the Commission deems necessary to evaluate the contract.

42 **"§ 16A-79. Appeals.**

43 Appeals from a decision of the Commission shall be made in the manner prescribed
44 by Chapter 150B of the General Statutes.

1 **"§ 16A-80. Right of inspection.**

2 The Commission and its representatives have the right to inspect the licensed
3 premises of a licensee and to examine his books and other records at any time without a
4 search warrant.

5 **"§ 16A-81. Civil penalties.**

6 (a) The Commission shall by rule establish a graduated schedule of civil
7 penalties for violations of laws related to horse racing or of the Commission's rules.
8 The schedule shall include minimum and maximum civil penalties for each violation
9 and be based on and reflect the culpability, frequency, and severity of the violator's
10 actions.

11 (b) The Commission may impose a civil penalty from this schedule on a licensee
12 for a violation of rules or laws relating to horse racing.

13 (c) The civil penalty is in addition to any criminal penalty imposed for the same
14 violation.

15 (d) Imposition of a civil fine is a contested case under Chapter 150B of the
16 General Statutes.

17 **"§ 16A-82. Rule-making authority.**

18 The Commission may, in addition to all other rule-making authority granted
19 elsewhere in the General Statutes, adopt rules governing:

20 (1) The conduct of horse races held at licensed race facilities in North
21 Carolina, including, but not limited to, the rules of racing, standards of
22 entry, operation of claiming races, filing and handling of objections,
23 carrying of weights, and declaration of official results;

24 (2) Wire communications between the premises of a licensed race facility
25 and any place outside the premises;

26 (3) Information on horse races which is sold on the premises of a licensed
27 race facility;

28 (4) Liability insurance which it may require of all Class A, Class B, and
29 Class D licensees;

30 (5) The auditing of the books and records of a licensee by an auditor
31 employed or appointed by the Commission;

32 (6) Emergency action plans maintained by licensed race facilities and their
33 periodic review;

34 (7) Safety, security, and sanitation of stabling facilities at licensed race
35 facilities as well as general guidelines regarding off-track stables;

36 (8) Entry fees and other funds received by a licensee in the course of
37 conducting racing which the Commission determines shall be placed in
38 escrow accounts; and

39 (9) Any other aspect of horse racing which in its opinion affects the
40 integrity of racing or the public health, welfare, or safety.

41 Rules of the Commission are subject to Chapter 150B of the General Statutes.

42 **"§§ 16A-83 through 16A-85: Reserved.**

43 **"§ 16A-86. Influencing races.**

44 No person may influence or attempt to influence a horse race by:

- 1 (1) Making threats;
- 2 (2) Offering anything of value to a person involved in the conduct of a
- 3 race in return for that person's committing an illegal act or failing to
- 4 perform a duty; or
- 5 (3) Conspiring with or seeking or having an understanding or agreement
- 6 with a person involved in the conduct of a race to commit an illegal act
- 7 or to fail to perform a duty.

8 **"§ 16A-87. Tampering with horses.**

9 No person may:

- 10 (1) On the premises of a licensed race facility, use, have in his possession
- 11 with intent to use, or knowingly assist another person in using a
- 12 battery or buzzer, electrical or mechanical, or other device or
- 13 appliance, which can be used to affect a horse's racing condition or
- 14 performance, other than an ordinary whip for a horse;
- 15 (2) Affect or attempt to affect the racing condition or performance of a
- 16 horse at a race or workout through the use of a drug or medication in
- 17 violation of the Commission's rules;
- 18 (3) Use any method, injurious or otherwise, to affect a horse's racing
- 19 condition or performance at a race or workout in violation of the
- 20 Commission's rules;
- 21 (4) Knowingly enter or cause to be entered in a race any horse under an
- 22 assumed name or out of its proper grade or class;
- 23 (5) Change the name of any horse for the purpose of entry in a race after
- 24 the horse has once raced except as provided by the operator's rules
- 25 under which the contest is advertised to be run; or
- 26 (6) Knowingly misrepresent or fraudulently conceal the public
- 27 performance in any former race of any horse that is proposed to be
- 28 entered in a race, whether the horse is actually entered or not.

29 **"§ 16A-88. False time by official timer.**

30 No official timer at any race shall willfully and falsely announce a slower or faster

31 time than that actually run by a horse when the result of that race is to constitute a

32 record.

33 **"§ 16A-89. Determination of class.**

34 The grade or class to which a horse belongs for the purpose of an entry in any race

35 shall be determined by the public performance of that horse in any former race, except

36 as provided by the operator's rules under which the proposed race is advertised to be

37 run.

38 **"§ 16A-90. Reporting of information.**

39 A person licensed by the Commission who has information regarding a violation of

40 any provision of this Chapter shall report that information promptly to the Commission

41 or an agent of the Commission.

42 **"§ 16A-91. False statement.**

1 No person may knowingly make a false statement in a document or application
2 required to be submitted to the Commission or in a sworn statement to or testimony
3 before the Commission.

4 **"§ 16A-93. Conducting race without license.**

5 (a) Any person who directly or indirectly holds any horse race without having
6 procured a license as prescribed in this Chapter shall be guilty of a misdemeanor.

7 (b) Any person wagering upon the results of a race conducted shall be guilty of a
8 Class 1 misdemeanor.

9 **"§ 16A-94. Misuse of license.**

10 Any credential, license, or permit issued by the Commission, if used by the holder
11 for a purpose other than identification and in the performance of legitimate duties on a
12 race facility, shall be automatically revoked whether so used on or off a race facility.

13 **"§ 16A-94.1. Class G felonies.**

14 A violation of G.S. 16A-86 or G.S. 16A-87 is a Class G felony, in addition to any
15 civil penalty which may be imposed pursuant to this Article.

16 **"§ 16A-96. Class I felonies.**

17 A violation of G.S. 16A-90 or G.S. 16A-91 is a Class I felony, in addition to any
18 civil penalty which may be imposed pursuant to this Article.

19 **"§ 16A-97. Misdemeanors.**

20 A violation of any other provision of this Chapter or of a rule or order of the
21 Commission for which another penalty is not provided is a misdemeanor, in addition to
22 any civil penalty which may be imposed pursuant to this Chapter.

23 **"§ 16A-98. Persons excluded.**

24 The Commission may exclude from any and all licensed race facilities in the State a
25 person who:

- 26 (1) Has been convicted of a felony under the laws of any state or the
27 United States;
- 28 (2) Has had a license suspended, revoked, or denied by the Commission or
29 by the racing authority of any other jurisdiction; or
- 30 (3) Is determined by the Commission, on the basis of evidence presented
31 to it, to be a threat to the integrity of racing in North Carolina.

32 **"§ 16A-99: Reserved.**

33 **"§ 16A-100. Appeal; hearing.**

34 An order to exclude a person from any or all licensed race facilities in the State shall
35 be made by the Commission at a public hearing of which the person to be excluded shall
36 have at least 15 days' notice. If the person is present at the hearing, the person shall be
37 permitted to show cause why the person should not be excluded. An appeal of the order
38 may be made in the same manner as other appeals under G.S. 16A-79.

39 **"§ 16A-101. Notice to race facilities.**

40 Upon issuing an order excluding a person from any or all licensed race facilities, the
41 Commission shall send a copy of the order to the excluded person and to all race
42 facilities named in it along with other information as it deems necessary to permit
43 compliance with the order.

44 **"§ 16A-102. Prohibitions.**

1 It is a misdemeanor for a person named in an exclusion order to enter, attempt to
2 enter, or be on the premises of a race facility named in the order while it is in effect, and
3 for a person licensed to conduct racing or operate a race facility knowingly to permit an
4 excluded person to enter or be on the premises.

5 **"§ 16A-103. Exclusions by race facility.**

6 The holder of a license to conduct racing may eject and exclude from its premises
7 any licensee or any other person who is in violation of any State law or Commission
8 rule or order or who is a threat to racing integrity or the public safety. A person so
9 excluded from a race facility premises may appeal his exclusion to the Commission and
10 shall be given a public hearing on his appeal if the person so requests. At the hearing the
11 person shall be given the opportunity to show cause why the person should not be so
12 excluded. If the Commission, after the hearing finds that the integrity of racing and the
13 public safety do not justify the exclusion, it shall order the race facility making the
14 exclusion to reinstate or readmit the person. An appeal of a Commission order
15 upholding the exclusion is governed by G.S. 16A-79.

16 **"ARTICLE 6.**

17 **"MISCELLANEOUS.**

18 **"§ 16A-104. Medication.**

19 (a) The Commission shall adopt and enforce rules governing medication and
20 medical testing for horses running at licensed race facilities. The rules shall provide
21 which, if any, medication may be administered to a horse within a specified number of
22 hours of a race before it runs at a licensed race facility.

23 (b) The Commission shall adopt rules establishing the qualifications for on- and
24 off-premise laboratories used by it as testing laboratories to enforce its rules under this
25 section.

26 **"§ 16A-105. Possession of certain drugs prohibited.**

27 (a) The possession or transportation of any drug or chemical except those
28 permitted by regulations of the Commission within the racing enclosure is prohibited
29 except upon a bona fide veterinarian's prescription with complete statement of uses and
30 purposes on the container.

31 (b) A copy of the prescription shall be filed with the stewards.

32 (c) The Commission may allow medical emergency exceptions.

33 **"§ 16A-106. Advisory committee.**

34 The Commission may establish an advisory committee to advise it on medication
35 under this section, provided that the members of an advisory committee shall serve
36 without compensation.

37 **"§ 16A-107. Financial interest.**

38 No person may serve on the Commission or be employed by it who has an interest in
39 any corporation, association, or partnership which holds a license from the Commission
40 or which holds a contract to supply goods or services to a licensee or at a licensed race
41 facility, including concessions contracts. No member or employee of the Commission
42 may own wholly, or in part, or have an interest in a horse which races at a licensed race
43 facility in North Carolina. No member or employee of the Commission may have a

1 financial interest in or be employed in a profession or business which conflicts with the
2 performance of his duties as a member or employee.

3 **"§ 16A-108: Reserved.**

4 **"§ 16A-109. Violation.**

5 A violation of G.S. 16A-107 is grounds for removal from the Commission or
6 termination of employment. A wager made directly or indirectly by a licensee in
7 violation of a rule made by the Commission under G.S. 16A-108 is grounds for
8 suspension or revocation of the license.

9 **"§ 16A-110. Required races.**

10 By rule the Commission may set the number of required races. Each holder of a
11 Class B license shall declare and schedule, on each racing day it conducts, at least one
12 race which:

13 (1) Before January 1, 1999, is limited to horses which are North Carolina-
14 bred, North Carolina-foaled, North Carolina-trained, or North
15 Carolina-owned, and

16 (2) On and after January 1, 1999, is limited to horses which are North
17 Carolina-bred, or North Carolina-foaled, and which are North
18 Carolina-trained. If there are not a sufficient number of these horses
19 entered in the declared race to make up an adequate slate of entries,
20 another race may be substituted. The Commission shall by rule define
21 'North Carolina-foaled', 'North Carolina-owned', and 'North Carolina-
22 trained'.

23 **"§ 16A-111. Provisions of this Chapter control.**

24 Insofar as the provisions of this Chapter may be inconsistent with the provisions of
25 any other law concerning activities and actions authorized by this Chapter, including but
26 not limited to Chapters 14 and 16 of the General Statutes, the provisions of this Chapter
27 shall control, it being specifically declared that any other provisions of existing law,
28 ordinance, or regulation that prohibit or regulate horse racing, or admissions shall not be
29 applicable to any activities or actions authorized by this Chapter."

30 Sec. 4. G.S. 120-123 is amended by adding a new subdivision to read:

31 "(60) The North Carolina Racing Commission as established by G.S.16A-4."

32 Sec. 5. G.S. 147-69.2(a) is amended by adding a new subdivision to read:

33 "(21) The North Carolina Racing Commission."

34 Sec. 6. This act is effective upon ratification.