

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 116\*

Agriculture, Marine Resources, and Wildlife Committee Substitute Adopted 4/26/93

Short Title: Horse Racing in North Carolina.

(Public)

Sponsors:

Referred to: Judiciary I.

February 10, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE HORSE RACING IN NORTH CAROLINA LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE TO ESTABLISH THE NORTH CAROLINA RACING COMMISSION, AFTER A BINDING REFERENDUM, 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 and pari-mutuel wagering 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

1 additional jobs for the residents of the State and benefit the businesses related to tourism  
2 and recreation within the State.

3 It is in the public interest to permit the qualified voters of this State to determine by  
4 referendum whether horse racing and pari-mutuel wagering will be permitted.

5 If horse racing is approved by the voters, it is in the public interest to provide for the  
6 establishment of a racing commission to:

- 7 (1) Regulate horse racing and pari-mutuel wagering;
- 8 (2) Promote breeding and training of horses and the further development  
9 of the equine industry in this State;
- 10 (3) Promote farmland enhancement, the development of new crops in this  
11 State, and the enhancement of the State's agribusiness industry;
- 12 (4) To administer and enforce the provisions of this Chapter; and
- 13 (5) Develop a long-term plan for racing in North Carolina to determine the  
14 appropriate location and number of tracks to be built in this State so as  
15 to position any major track and its purse structure in the upper segment  
16 of good quality tracks while creating a strong born, bred, and training  
17 structure throughout the State.

18 **"§ 16A-3. Definitions.**

19 Unless the context clearly otherwise requires, the following definitions apply in this  
20 Chapter:

- 21 (1) 'Breakage' means the odd cents of all money to be distributed based on  
22 each dollar wagered exceeding a sum equal to the next lowest multiple  
23 of 10.
- 24 (2) 'Breeder' means the owner of a female horse at the time the female  
25 horse gives birth to a North Carolina-bred horse.
- 26 (3) 'Breeding fund' means special funds established by the Commission  
27 pursuant to the provisions of this Chapter and any applicable rules of  
28 the Commission concerning the breeding, raising, and racing of horses  
29 in the State.
- 30 (4) 'Breeding fund fee' means a fee payable to the Commission by an  
31 operator pursuant to this Chapter for deposit into the appropriate  
32 horse-breeding fund.
- 33 (5) 'Commission' or 'NCRC' means the North Carolina Racing  
34 Commission which is vested with control of all horse racing with pari-  
35 mutuel wagering in the State and with power to adopt rules under  
36 which racing and wagering shall be conducted.
- 37 (6) 'Handle', when used with reference to any specified period of time,  
38 means the total amount deposited in all of the pari-mutuel pools  
39 originated by an operator during the period of time.
- 40 (7) 'Horse racing' means any form of horse racing in which horses carry  
41 human riders or pull sulkies with human drivers.
- 42 (8) 'License' means a privilege, not a right, granted to the holder by the  
43 Commission in accordance with the provisions of Article 3 of this  
44 Chapter.

- 1           (9) 'Licensed facility' or 'licensed race facility' means all areas of a race  
2 track's grounds, including the parking area, to which admission can be  
3 obtained only by payment of an admission fee or presentation of  
4 official credentials. 'Licensed facility' also means any site licensed for  
5 pari-mutuel wagering.
- 6           (10) 'Member' means a member of the Commission.
- 7           (11) 'Metro area' means the area defined as a metropolitan statistical area  
8 for the purposes of allocating federal funds by the Federal Office of  
9 Management and Budget.
- 10          (12) 'Multiple pool' means a licensed pari-mutuel pool (other than a straight  
11 pool, a two entry pool, or a super multiple pool) involving three or four  
12 combinations of wagers to win, place, or show.
- 13          (13) 'Multiple wager' means a wager in a multiple pool.
- 14          (14) 'Net revenues' means all fees (other than breeding fund fees),  
15 commissions, and other monies received by the Commission less all  
16 expenses incurred in the administration of this Chapter.
- 17          (15) 'North Carolina-trained' is a horse which is boarded and trained in  
18 North Carolina when not attending racing meetings and which has  
19 been trained under the rules adopted by the Commission and is eligible  
20 for special purses.
- 21          (16) 'North Carolina-bred horse' means a horse which is registered in the  
22 registry designated and administered by the Commission in accordance  
23 with the Commission's rules concerning domicile and registration  
24 requirements.
- 25          (17) 'North Carolina stallion' means a stallion which is standing in the State  
26 at the time he is bred to the dam of a North Carolina-bred horse, which  
27 is registered with the Commission in accordance with the  
28 Commission's rules concerning domicile and registration requirements.
- 29          (18) 'Operator' means a corporation licensed by the Commission to conduct  
30 horse racing events and pari-mutuel wagering on those events in  
31 accordance with the provisions of this Chapter.
- 32          (19) 'Owner' means a corporation, partnership, or other business entity  
33 licensed by the Commission to own a racing facility in accordance  
34 with the provisions of this Chapter.
- 35          (20) 'Pari-mutuel wagering' means the system of wagering on horse races  
36 where those who wager on the horses that finish in the position or  
37 positions for which wagers are taken, share in the total amounts  
38 wagered, less deductions required or permitted by law.
- 39          (21) 'Person' means an individual, firm, association, partnership,  
40 corporation, trustee, or legal representative, and any licensee,  
41 participant, or patron.
- 42          (22) 'Race track' means a flat or grass surface on which horses race.
- 43          (23) 'Racing day' means a day assigned by the Commission on which racing  
44 is conducted.

- 1           (24) 'Racing meeting' means a series of days in which horse racing days are  
2           not separated by more than five nonracing days.
- 3           (25) 'Resident of the State' means any one of the following:  
4           a.     A natural person whose principal residence is located in the  
5           State; or  
6           b.     A natural person who does not maintain his or her principal  
7           residence in the State but who owns, singly or jointly with his  
8           or her spouse, real property located in the State that has an  
9           original cost to that person or a current fair market value of not  
10           less than one hundred thousand dollars (\$100,000); or  
11           c.     A corporation or partnership which has its principal place of  
12           business in the State and more than fifty percent (50%) of the  
13           stock or other ownership interest in which is owned by natural  
14           persons described in subparagraphs a. or b. of this subdivision.
- 15           (26) 'Simulcasting' means the televised showing of a live race where pari-  
16           mutuel wagering is allowed.
- 17           (26.1) 'Simulcasting unit' means a licensed race facility or mobile  
18           simulcasting unit where simulcasting is conducted whether or not  
19           there is live racing.
- 20           (27) 'Stallion owner' means the owner of a stallion standing in the State at  
21           the time he was bred to the dam of a North Carolina-bred horse.
- 22           (28) 'State' means the State of North Carolina.
- 23           (30) 'Straight pool' means a licensed pari-mutuel pool in which each ticket  
24           represents a wager to win, place, or show.
- 25           (31) 'Straight wager' means a wager in a straight pool.
- 26           (32) 'Super exotic pool' means a licensed pari-mutuel pool (other than a  
27           straight pool, a two entry pool, or a multiple pool) involving a  
28           combination of five or more wagers to win, place, or show.
- 29           (33) 'Super exotic wager' means a wager in a super exotic pool.
- 30           (34) A 'teletheater' means an enclosed heated and air conditioned licensed  
31           facility or race facility where simulcasting is conducted and there is no  
32           live horse racing. These may include off-site wagering restaurants.
- 33           (35) 'Two entry pool' means a licensed pari-mutuel pool (other than a  
34           straight pool or a multiple pool or super multiple pool) involving a  
35           combination of two straight wagers to win, place, or show.
- 36           (36) 'Two entry wager' means a wager in a two entry pool.
- 37           (37) 'Two or more entry pools' means an entry in combination with other  
38           entries which may be a series of separate two entry wagers in which  
39           any entry combination wins; or which may be a series of combination  
40           wagers as in multiple or super exotic wagers in which all of the  
41           combinations must win.
- 42           (38) 'Year-round' means a race facility operating at least 10 months of the  
43           year at which horse racing, or simulcasting, or any combination  
44           thereof, is conducted with pari-mutuel wagering.

"ARTICLE 2.  
"THE COMMISSION.

"§ 16A-4. Commission created.

(a) There is created the North Carolina Racing Commission. The Commission shall have the powers and duties specified in this Chapter. In appointing members to the Commission, preference shall be given to persons with knowledge of either the equine industry or the racing industry, or both. Persons appointed to serve on the Commission should possess the appropriate judicial temperament. The Commission shall be located administratively under the Department of Commerce but shall exercise all its prescribed statutory powers independently of the Department of Commerce.

(b) The Commission shall consist of five members as follows:

(1) One member shall be appointed by the Governor. This appointment shall be subject to confirmation by the General Assembly in joint session using the procedures set forth in G.S. 62-10.

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

(c) The Governor shall designate the initial Chair of the Commission, who shall serve a two-year term. After the term of the initial Chair is completed, all subsequent Chairs shall be selected by the members of the Commission from among the membership and shall serve two-year terms. No member shall serve consecutive terms as Chair.

(d) Of the persons initially appointed to the Commission, the member proposed by the Governor shall serve a two-year term. One member recommended by the Speaker of the House of Representatives and one member recommended by the President Pro Tempore of the Senate shall serve four-year terms. One member recommended by the Speaker of the House of Representatives and one member recommended by the President Pro Tempore of the Senate shall serve six-year terms. After the expiration of the initial terms, appointments are for terms of six years. Each member of the Commission shall serve until a successor is duly appointed and qualified.

(e) A member of the Commission shall have been a resident of North Carolina for at least five years before appointment to the Commission and shall have no financial interest in any racing facility. A member of the Commission shall not have been convicted of a felony or convicted of violating any law or rule relating to horse racing, pari-mutuel wagering, or any other form of gambling.

(f) A background investigation of each member of the Commission shall be completed by the State Bureau of Investigation, prior to the member being appointed or confirmed by the General Assembly.

"§ 16A-5. Reserved.

"§ 16A-6. Removal; vacancies.

Vacancies on the Commission, whether caused by the death, incapacity, resignation, or removal of a member, shall be filled by the office making the initial appointment. Vacancies in the appointment filled by the Governor shall be for the remainder of the

1 unexpired term and shall be subject to confirmation by the General Assembly.  
2 Vacancies in appointments made by the General Assembly shall be filled in accordance  
3 with G.S. 120-122. Members appointed to fill vacancies shall be subject to a  
4 background investigation as prescribed in G.S. 16A-4.

5 **"§ 16A-7. Actions.**

6 The Commission may sue and be sued in its own name but no action may be brought  
7 against the Commission or any of its members for actions taken in good faith in the  
8 performance of its duties. Suits and actions may be commenced against the  
9 Commission or any of its members in any court of competent jurisdiction in this State  
10 by the service on the Secretary of State of any summons, process, or pleadings  
11 authorized by the laws of this State. If any summons, process, or pleadings is served  
12 upon the Secretary of State, it shall be by duplicate copies. One copy shall be retained  
13 in the office of the Secretary of State and the other copy shall be forwarded immediately  
14 by certified mail to the Chair of the Commission at the current address of the  
15 Commission. The Executive Secretary of the Commission shall inform the Secretary of  
16 State of the mailing address of the Commission and any changes.

17 **"§ 16A-8. Annual report.**

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

- 22 (1) The Commission's activities for the prior year;
- 23 (2) The Commission's organizational structure and personnel;
- 24 (3) The Commission's receipts and disbursements;
- 25 (4) The Commission's recommendations for changes in the laws relating  
26 to racing and pari-mutuel wagering;
- 27 (5) The impact of horse racing and pari-mutuel wagering on economic  
28 development in this State, including the impact on travel and tourism  
29 and agriculture;
- 30 (6) Multiyear projections on the future costs of operating the Commission  
31 and on regulating horse racing and pari-mutuel wagering in this State;  
32 and
- 33 (7) Recommendations on adjustment of the take-out rates needed to  
34 enhance the development of horse racing in North Carolina.

35 (b) The General Assembly finds that off-site wagering is essential to successful  
36 accomplishment of the purposes of this Chapter, and to that end, it is the intent of the  
37 General Assembly that any off-site wagering technology developed and used in any  
38 other state in which horse racing and pari-mutuel wagering have been legalized and in  
39 which horse racing is conducted shall be permitted in this State. The Commission shall  
40 conduct an ongoing study of the types of off-site wagering that are appropriate for this  
41 State and shall include the results of that study in each of its annual reports submitted to  
42 the General Assembly pursuant to subsection (a) of this section. These reports shall  
43 include the Commission's findings, recommendations, and a summary of arguments  
44 opposing the Commission's recommendations on issues related to off-site wagering

1 including, but not limited to, present and anticipated technologies and appropriate take-  
2 out rates and funding allocations. The Commission shall also include in the annual  
3 report any required legislation to implement off-site wagering.

4 (c) The Commission shall report the extent of minority employment and  
5 contracting related to enterprises associated with the operations of licensed facilities  
6 over which the Commission has jurisdiction or influence. The Commission shall  
7 establish a task force charged with the monitoring of minority involvement and charged  
8 with advising the Commission relative to enhancing minority participation in the  
9 enterprises associated with the operations of licensed facilities.

10 **"§ 16A-9. Commission powers and duties.**

11 The Commission shall control all horse racing and pari-mutuel wagering on horse  
12 races in the State. The Commission shall adopt rules implementing the provisions of  
13 this Chapter including rules under which racing and pari-mutuel wagering may be  
14 conducted, and licenses may be issued. In addition, the Commission has the following  
15 specific powers and duties:

- 16 (1) To issue licenses to build only quality racing facilities that are  
17 designed to permit year-round racing.
- 18 (2) To assign dates and adopt rules for the conduct of horse racing.
- 19 (3) To license all personnel involved in racing and pari-mutuel wagering.
- 20 (4) To enforce all laws and rules governing horse racing.
- 21 (5) To audit books and distribute funds and to collect and distribute all  
22 taxes as provided for in this Chapter.
- 23 (6) To conduct necessary investigations and inquiries and compel the  
24 submission of information, documents, and records it deems necessary  
25 to carry out its duties.
- 26 (7) To initiate administrative hearings and civil actions in cases of alleged  
27 wrongdoing.
- 28 (8) To provide testing facilities for racing animals.
- 29 (9) To supervise the conduct of pari-mutuel wagering on horse racing.
- 30 (10) To employ and supervise personnel under the laws of this Chapter.
- 31 (11) To ensure that all operations are cleanly, efficiently, safely, and  
32 honestly run.
- 33 (12) To take all necessary steps to ensure the integrity of racing in North  
34 Carolina.
- 35 (13) To maintain the goal of service to the public within the objectives of  
36 developing the agribusiness, equine, and travel and tourism industries  
37 in North Carolina.
- 38 (14) To enter into contracts as necessary in the administration of this  
39 Chapter.
- 40 (15) To do those things necessary and appropriate to carry out the duties  
41 imposed by this Chapter.
- 42 (16) To issue rules on the permitted and prohibited locations for all licensed  
43 facilities, including race tracks, teletheater facilities, or off-track  
44 wagering facilities.

**§ 16A-10. Executive Secretary.**

(a) The Executive Secretary shall administer the rules adopted by the Commission and conducting the business of the Commission. The Executive Secretary shall ensure that pertinent records and statistics are kept for use in the annual reports required by this Chapter and may coordinate this information with other pari-mutuel states in the Association of Racing Commissioners, International and other organizations acceptable to the Commission.

(b) The Executive Secretary shall act as the Commission's chief personnel officer and shall supervise the employment, conduct, duties, and discipline of all Commission employees. The Executive Secretary may hire and direct a Chief of Racing Security, Medical Officer, and Auditor/Inspector of Pari-Mutuels whose duties are set forth in subsequent sections of this Chapter. The Executive Secretary shall not hire or dismiss the Auditor/Inspector of Pari-Mutuels without the approval of the Commission. All personnel except the Executive Secretary shall be subject to the provisions of the State Personnel Act.

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

(d) In addition to the above listed duties, the Executive Secretary shall perform the following:

(1) Take and preserve records of all proceedings before the Commission, maintain its books, documents, and records, and make them available for public inspection as the Commission directs;

(2) If so designated by the Commission, act as a hearing officer in hearings conducted under this Chapter and make recommended decisions in those hearings to the Commission; and

(3) Perform other duties as directed by the Commission.

**§ 16A-11. Auditor/Inspector of Pari-Mutuels.**

(a) The Executive Secretary may employ an Auditor/Inspector of Pari-Mutuels. The Auditor/Inspector of Pari-Mutuels shall be the Commission's auditor. The Auditor/Inspector of Pari-Mutuels shall be responsible for the accuracy of the revenues paid from the facility to the Commission and for the flow of funds to the appropriate categories as specified by this Chapter.

(b) The Auditor/Inspector of Pari-Mutuels shall, while employed by the Commission, devote his whole time to the duties of the position, which are:

(1) To supervise all forms of pari-mutuel wagering on horse racing in the State;

(2) To inspect all pari-mutuel machinery;

(3) To make reports on pari-mutuel wagering as the Commission directs; and

(4) To perform other duties as directed by the Commission.

(c) If the Executive Secretary does not appoint an Auditor/Inspector of Pari-Mutuels, his duties are assigned to the Executive Secretary. The Commission may contract with outside services or personnel to assist the Executive Secretary in the performance of these duties.



1       (d) In extraordinary circumstances, if the Auditor/Inspector determines that the  
2 integrity or efficiency of the Commission is in jeopardy, the Auditor/Inspector shall  
3 have direct access to the Commission and using this direct access shall not be  
4 considered 'just cause' for any disciplinary action under Chapter 126 of the General  
5 Statutes, the State Personnel Act.

6 **"§ 16A-12. Chief of Racing Security.**

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

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

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

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

18       (e) Nothing in this Chapter prohibits other law enforcement authorities and  
19 agents, in performance of their duties, from entering premises licensed under this  
20 Chapter.

21       (f) If the Executive Secretary does not appoint a Chief of Racing Security, the  
22 duties of the position are assigned to the Executive Secretary. The Commission may  
23 contract with outside services or personnel to assist the Executive Secretary in the  
24 performance of these duties.

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

30 **"§ 16A-13. Medical services.**

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

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

35           (1) To supervise the formulation, administration, and evaluation of all  
36 medical tests required or authorized by the rules of the Commission;

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

39           (3) To supervise the taking of samples from winning animals and others at  
40 random and to forward these samples to the State Chemist for analysis  
41 (test barn personnel shall assist the Medical Officer in the collection of  
42 the samples);

43           (4) To observe the conduct and efficiency of the facility's appointed  
44 veterinarians; and

1           (5) To make inspections of the barn areas at licensed racing facilities for  
2           cleanliness and to ensure that living and working conditions are  
3           compatible with the standards set by the Commission for both horses  
4           and personnel.

5           (c) If the Executive Secretary does not appoint a Medical Officer, the duties of  
6           the position may be assigned to the Executive Secretary.

7           (d) In extraordinary circumstances, when the Medical Officer determines that the  
8           integrity or efficiency of the Commission is in jeopardy, the Medical Officer shall have  
9           direct access to the Commission and using this direct access shall not be considered 'just  
10          cause' for any disciplinary action under Chapter 126 of the General Statutes, the State  
11          Personnel Act.

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

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

17          (a) Subject to the applicable laws, the Commission, through the Executive  
18          Secretary, shall employ and assign duties to other officers, employees, agents, and field  
19          personnel it deems necessary to discharge its functions.

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

22          **"§ 16A-14.1. Financial interest.**

23          No person may serve on the Commission or be employed by it who has an interest in  
24          any corporation, association, or partnership which holds a license from the Commission  
25          or which holds a contract to supply goods or services to a licensee or at a licensed race  
26          facility, including concessions contracts. No member or employee of the Commission  
27          may own wholly, or in part, or have an interest in a horse which races at a licensed race  
28          facility in North Carolina. No member or employee of the Commission may have a  
29          financial interest in or be employed in a profession or business which conflicts with the  
30          performance of his duties as a member or employee.

31          **"§ 16A-14.2. Wagering.**

32          No member or employee of the Commission may wager or cause a wager to be  
33          made on a race at a licensed race facility while serving on or being employed by the  
34          Commission. No person appointed or approved by the Commission as a steward may  
35          wager or cause a wager to be made at a licensed race facility during a racing meeting at  
36          which that person is serving as a steward. The Commission shall by rule prescribe any  
37          restrictions on wagering by its licensees as it deems necessary to protect the integrity of  
38          racing.

39          **"§ 16A-14.3. Violation.**

40          A violation of G.S. 16A-14.1 or G.S. 16A-14.2 is grounds for removal from the  
41          Commission or termination of employment. A wager made directly or indirectly by a  
42          licensee in violation of a rule made by the Commission under G.S. 16A-14.2 is grounds  
43          for suspension or revocation of the license.

44          **"§ 16A-15. Assistance from State agencies.**



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

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

8 **"§ 16A-20. Class A license application.**

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

10 (b) An application for a Class A license shall be on a form the Commission  
11 prescribes and shall be accompanied by detailed plans and specifications of the  
12 facilities, buildings, fences, and other improvements as well as possible future additions  
13 including living quarters or other buildings around the outside perimeter of the oval  
14 racing track. An application may also contain plans for one or more off-site wagering  
15 facilities. An application for a Class A license shall be accompanied with a  
16 nonrefundable application fee of one hundred thousand dollars (\$100,000).

17 (c) The application shall contain:

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

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

26 (3) A statement of the assets and liabilities of the applicants, and any other  
27 information that the Commission deems appropriate regarding the  
28 character and responsibility of the applicant and the members,  
29 partners, stockholders, officers, and directors of the applicant;

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

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

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

38 c. Is or has been connected with or engaged in any illegal  
39 business;

40 d. Has ever been found guilty of fraud or misrepresentation or a  
41 false statement in connection with racing or breeding;

42 e. Has ever been found guilty of a serious violation, as defined by  
43 the Commission, of a law or rule relating to horse racing, pari-  
44 mutuel wagering, or any other form of gambling;

- 1           f. Has ever knowingly violated a rule or order of the Commission  
2           or a law of North Carolina relating to racing; or  
3           g. Is not qualified to do business in North Carolina or is not  
4           subject to the jurisdiction of the courts of the State.

5           (5) An irrevocable consent statement, to be signed by the applicant, which  
6           states that suits and actions relating to the subject matter of the  
7           application or acts or omissions arising from it may be commenced  
8           against the applicant in any court of competent jurisdiction in this State  
9           by the service on the Secretary of State of any summons, process, or  
10           pleadings authorized by the laws of this State. If any summons,  
11           process, or pleading is served upon the Secretary of State, it shall be by  
12           duplicate copies. One copy shall be retained in the office of the  
13           Secretary of State, and the other copy shall be forwarded immediately  
14           by certified mail to the address of the applicant, as shown by the  
15           records of the Commission; and

16           (6) Any other information which the Commission in its discretion deems  
17           appropriate.

18 **"§ 16A-21. Denial of license.**

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

20           (1) That over fifty percent (50%) of the natural persons having an  
21           ownership interest in the applicant, either directly or indirectly, shall  
22           have been residents of the State continuously for a period of five years  
23           next preceding the date of the application in question; and

24           (2) That the applicant's facilities will meet the following minimum  
25           standards:

26           a. That the primary horse racing facility will provide a track  
27           racing surface of at least one mile for horse racing;

28           b. That the facilities will be designed with quality construction and  
29           weather protection for year-round racing and shall have  
30           sufficient parking to avoid traffic congestion;

31           c. That racing surfaces designed for harness racing shall be at least  
32           five-eighths of a mile in length, except for racing surfaces at the  
33           State fair or at county fairs; and

34           d. That facilities for simulcasting will be appropriately heated and  
35           air conditioned for the conduct of a year-round operation.

36 **"§ 16A-22. License statement.**

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

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

1 **"§ 16A-23. Hearing.**

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

- 3 (1) Hold at least one public hearing in the area where the race facility is or  
4 will be located.  
5 (2) Request comments on the application from the governing body of the  
6 city or town where the facility is or will be located, or from the county  
7 board of commissioners if it is to be located outside a city or town, and  
8 from the appropriate regional council of government, as the case may  
9 be.

10 **"§ 16A-24. Investigation.**

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

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

16 (c) If the Commission requests that the State Bureau of Investigation conduct the  
17 investigation, the Commission shall reimburse the State Bureau of Investigation for its  
18 share of the cost of the investigation.

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

21 **"§ 16A-25. License issuance.**

22 (a) In the granting of licenses, the Commission shall give due consideration to:

- 23 (1) The character, reputation, experience, and financial integrity of the  
24 applicants;  
25 (2) The proposed facilities and accommodations for the conduct of racing  
26 meetings;  
27 (3) The location of the facilities in relation to: the principal centers of  
28 population, the other principal cities, and the major resort areas of the  
29 State; and  
30 (4) Other factors which in the discretion of the Commission are worthy of  
31 consideration.

32 (b) If, after considering the information obtained at the public hearing and from  
33 the investigations and the comments received under G.S. 16A-23, the Commission  
34 determines:

- 35 (1) That the license will not adversely affect the public health, welfare,  
36 and safety;  
37 (2) That the race facility will be operated in accordance with all applicable  
38 laws and rules;  
39 (3) That the license will not create a competitive situation that will  
40 adversely affect racing and the public interest; and  
41 (4) That the applicant is financially able to operate a licensed race facility;

42 it may issue a Class A license to the applicant.

43 The license is effective until revoked or suspended by the Commission or  
44 relinquished by the licensee.

1 **"§ 16A-26. Changes in ownership or management.**

2 If a change in the officers, directors, shareholders, or other persons with a present or  
3 inchoate direct or indirect financial or management interest in the licensee, or a change  
4 of ownership of more than five percent (5%) of the licensee's shares is made after the  
5 application is filed or the license issued, the applicant or licensee shall notify the  
6 Commission of the change within five days of its occurrence and provide the affidavit  
7 required by G.S. 16A-20(c)(4).

8 **"§ 16A-27. License suspension and revocation.**

9 (a) The Commission may suspend or revoke a Class A license for a violation of a  
10 law, order, or rule that the Commission determines adversely affects the integrity of  
11 horse racing in North Carolina, or for an intentional false statement made in a license  
12 application, or for a willful failure to pay any money required to be paid under this  
13 Chapter, or for failure to perform material covenants or representations made in a  
14 license application.

15 (b) The Commission may suspend a Class A license indefinitely if it determines  
16 that the licensee has an officer, director, shareholder, or other person with a direct,  
17 indirect, or beneficial interest in the licensee who is a person who is in the  
18 Commission's opinion inimical to the integrity of horse racing in North Carolina or who  
19 cannot be certified under G.S. 16A-20(c)(4).

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

26 (d) A person whose Class A license is suspended or revoked pursuant to  
27 subsections (a), (b), or (c) of this section may commence a contested case hearing under  
28 Chapter 150B of the General Statutes.

29 (e) In addition to the penalties set forth in this section, criminal penalties may be  
30 imposed as provided in Article 5 of this Chapter.

31 **"§ 16A-28. Multiple licenses.**

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

35 **"§ 16A-29. Work areas.**

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

39 **"§ 16A-30. Class B license application.**

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

42 (b) The application for a Class B license shall be on a form the Commission  
43 prescribes and shall be accompanied by a bond in the principal amount of five hundred  
44 thousand dollars (\$500,000) payable to the State of North Carolina conditioned upon the

1 licensee's payment of all fees, taxes, and other money due and payable under this  
2 Chapter, including the horse owner's purses and payouts on winning pari-mutuel tickets.

3 (c) The application shall contain:

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

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

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

12 (4) An affidavit of the type described in G.S. 16A-20(c)(4); and

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

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

24 **"§ 16A-31. Hearings; investigations.**

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

27 (b) Comprehensive investigations shall be conducted and their costs paid in the  
28 manner prescribed by G.S. 16A-24.

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

31 **"§ 16A-32. License issuance and renewal.**

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

34 (1) The applicant will conduct horse racing in accordance with all  
35 applicable laws and rules;

36 (2) The issuance of a license will not adversely affect the public health,  
37 welfare, and safety;

38 (3) The license will not create a competitive situation that will adversely  
39 affect racing and the public interest; and

40 (4) The applicant is fit to sponsor and manage racing;

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

42 (b) The license shall be granted for a period of 20 years, but it shall be reviewed  
43 annually.



1 (c) On making the same determination required in G.S. 16A-25, the Commission  
2 may renew a Class B license without a hearing.

3 **"§ 16A-33. Changes in ownership or management.**

4 If a change in the officers, directors, or other persons with a direct or indirect  
5 financial or management interest in the licensee or a change of ownership of more than  
6 five percent (5%) of the licensee's shares is made after the initial application or license  
7 issuance, the applicant or licensee shall notify the Commission of the changes within  
8 five days of their occurrence and provide the affidavit required in G.S. 16A-20(c)(4).

9 **"§ 16A-34. License suspension and revocation.**

10 (a) The Commission may suspend, revoke, or refuse to renew a Class B license  
11 as provided under subsections (a), (b), or (c) of G.S. 16A-27.

12 (b) A person whose Class B license is suspended, revoked, or refused renewal  
13 pursuant to this section may commence a contested case hearing under Chapter 150B of  
14 the General Statutes.

15 **"§ 16A-35. Authority to issue Class C occupational licenses.**

16 The Commission may issue Class C occupational licenses to persons who wish to be  
17 employed in horse racing where pari-mutuel wagering is conducted as:

- 18 (1) Horse owners or lessees;
- 19 (2) Jockeys or drivers;
- 20 (3) Exercise workers;
- 21 (4) Grooms;
- 22 (5) Trainers and their assistants;
- 23 (6) Pari-mutuel personnel;
- 24 (7) Security officers;
- 25 (8) Other occupations the Commission determines require licensing to  
26 guarantee the integrity of horse racing in North Carolina.

27 **"§ 16A-36. License agreements.**

28 The Commission may enter into agreements with comparable bodies in other racing  
29 jurisdictions for the mutual recognition of occupational licenses issued by each body.  
30 The Commission may, by rule, provide for and charge a fee in an amount to be  
31 determined by the Commission for the registration of each license issued in another  
32 jurisdiction.

33 **"§ 16A-37. Application.**

34 An application for a Class C license shall be on a form prescribed by the  
35 Commission and shall be accompanied by an affidavit of qualification that the  
36 applicant:

- 37 (1) Is not in default in the payment of an obligation or debt to the State;
- 38 (2) Has never been convicted of a felony in a state or federal court and  
39 does not have a state or federal felony charge pending;
- 40 (3) Is not and never has been connected with or engaged in an illegal  
41 business;
- 42 (4) Has never been found guilty of fraud or misrepresentation in  
43 connection with racing or breeding;

- 1           (5) Has never been found guilty of a violation of law or rule relating to  
2 horse racing, pari-mutuel wagering, or any other form of gambling  
3 which is a serious violation as defined by the Commission's rules; and  
4           (6) Has never knowingly violated a rule or order of the Commission or a  
5 law of North Carolina relating to racing.

6       The application shall also contain an irrevocable consent statement, to be signed by  
7 the applicant, which states that suits and actions relating to the subject matter of the  
8 application or acts or omissions arising from it may be commenced against the applicant  
9 in any court of competent jurisdiction in this State by the service on the Secretary of  
10 State of any summons, process, or pleading authorized by the laws of this State. If any  
11 summons, process, or pleading is served upon the Secretary of State, it shall be by  
12 duplicate copies. One copy shall be retained in the office of the Secretary of State and  
13 the other copy shall be forwarded immediately by certified mail to the address of the  
14 applicant, as shown by the records of the Commission.

15 **"§ 16A-38. Investigations.**

16       (a) The Commission shall investigate each applicant for a Class C license to the  
17 extent it deems necessary and may request the assistance of and may reimburse the State  
18 Bureau of Investigation in investigating applicants as provided in G.S. 16A-24.

19       (b) The Commission may require that an applicant be fingerprinted or furnish his  
20 fingerprints.

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

23       (d) The Commission may provide for examining the qualifications of an  
24 applicant for the license for which the application is being made.

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

27 **"§ 16A-39. License issuance and renewal.**

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

32       (b) Class C licenses are effective for one year.

33       (c) If the Commission makes a similar finding for a renewal of a Class C license,  
34 it may renew the license.

35 **"§ 16A-40. License suspension and revocation.**

36       (a) The Commission may suspend or revoke a Class C license (i) for a violation  
37 of law or rule that the Commission determines adversely affects the integrity of horse  
38 racing in North Carolina or (ii) for an intentional false statement made in a license  
39 application.

40       (b) The Commission may delegate to its designated agents the authority to  
41 impose suspensions of Class C licenses, and the suspension may be appealed to the  
42 Commission according to its rules.

1 (c) A person whose Class C license is suspended or revoked pursuant to this  
2 section may commence a contested case hearing under Chapter 150B of the General  
3 Statutes.

4 **"§ 16A-41. Application for Class D license.**

5 (a) The Commission may issue special privilege Class D licenses for engaging in  
6 activities listed in G.S. 16A-18(a)(4) while operating, conducting, and managing horse  
7 racing on which pari-mutuel wagering is conducted.

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

12 **"§ 16A-42. Occupational licenses.**

13 (a) A person who participates in the management or conduct of horse racing or  
14 pari-mutuel wagering holding a Class D license, who is in an occupation listed in G.S.  
15 16A-35, shall have a Class C license from the Commission except for active members  
16 of nonprofit organizations who act without compensation as concession workers, pari-  
17 mutuel clerks, or grounds attendants.

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

21 **"§ 16A-43. Hearing.**

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

26 **"§ 16A-44. Issuance of Class D license.**

27 (a) If after considering the information received at any hearing or hearings and  
28 considering the comments requested under G.S. 16A-43, the Commission determines  
29 that the license will not adversely affect the public health, welfare, and safety and that  
30 the racing to be licensed will be conducted in accordance with all applicable laws and  
31 rules, it may issue a Class D license to the applicant.

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

34 **"§ 16A-45. Renewal.**

35 After making the determinations required in G.S. 16A-44, the Commission may  
36 renew a Class D license without a hearing.

37 **"§ 16A-46. Revocation and suspension.**

38 (a) Revocation and suspension of Class D licenses, and refusals to renew Class D  
39 licenses, are as provided in G.S. 16A-27.

40 (b) A person whose Class D license is suspended or revoked, or who is refused a  
41 renewal license, may commence a contested case hearing pursuant to Chapter 150B of  
42 the General Statutes.

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

1 **"§ 16A-47. License fees.**

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

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

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

12 (d) The Commission shall adopt rules establishing an annual license fee for each  
13 occupation it licenses under G.S. 16A-35, but no annual fee for a Class C license may  
14 exceed one hundred dollars (\$100.00).

15 (e) All license fees received by the Commission shall be paid into the  
16 Commission's State Treasurer disbursement account, according to G.S. 16A-61.

17 **"ARTICLE 4.**

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

19 **"§ 16A-48. Authority.**

20 A Class B license gives the licensee authority to conduct pari-mutuel wagering on  
21 the results of races run at the licensed race facility, and on other races as authorized by  
22 the Commission in G.S. 16A-64.

23 **"§ 16A-49. Requirements.**

24 A licensee conducting pari-mutuel wagering shall provide in a licensed heated and  
25 air conditioned facility:

26 (1) The necessary equipment for issuing pari-mutuel tickets; and

27 (2) Mechanical or electronic equipment for displaying information the  
28 Commission requires. All mechanical or electronic devices shall be  
29 approved by the Commission before being used.

30 **"§ 16A-50. Types of wagering.**

31 (a) The Commission shall by rule designate those types of pari-mutuel pools  
32 which are permitted at licensed facilities, and no licensee may conduct any type of pari-  
33 mutuel pool which has not been so designated.

34 (b) In addition to publication required under the Administrative Procedure Act,  
35 these rules shall be published by the Commission in book or pamphlet form for general  
36 distribution to all interested persons.

37 (c) Under the authorized pari-mutuel system of wagering, a licensee shall be  
38 permitted to provide separate pools for bets to win, place, and show, as well as separate  
39 pools for more complex wagers involving such combinations of races and combinations  
40 of the outcome of races as shall be approved by the Commission.

41 (d) Each pool, less the amount the licensee is permitted to retain pursuant to the  
42 provisions of this Chapter, shall be distributed separately to the winners in accordance  
43 with the rules of the Commission for that kind of pari-mutuel pool.

1 (e) If there is no ticket wagered on the winning horse for any pari-mutuel pool,  
2 the portion of the pool which would have been distributed to any winners shall be  
3 distributed to the holders of tickets for that pool in accordance with the rules of the  
4 Commission for that kind of pari-mutuel pool.

5 **"§ 16A-51. Take-out; distribution of winnings.**

6 (a) A licensee conducting pari-mutuel wagering shall deduct from a straight pari-  
7 mutuel pool, before payments to holders of winning tickets, an amount equal to sixteen  
8 percent (16%) of the total money in that pool plus the breakage applicable to the  
9 winning wagers for that pool.

10 (b) A licensee shall deduct from a two-entry pool, before payments to holders of  
11 winning tickets, an amount equal to seventeen percent (17%) of the total money in that  
12 pool plus the breakage applicable to the winning wagers for that pool.

13 (c) A licensee shall deduct from a multiple three- or four-selection pool, before  
14 payments to holders of winning tickets, an amount equal to eighteen percent (18%) of  
15 the total money in that pool plus the breakage applicable to the winning wagers for that  
16 pool.

17 (d) A licensee shall deduct from a super exotic pool of five or more selections an  
18 amount equal to nineteen percent (19%) of the total money in that pool plus the  
19 breakage applicable to the winning wagers for that pool.

20 (e) It is the intent of the General Assembly that the take-out rates at all licensed  
21 pari-mutuel facilities, including any off-site wagering facilities, be uniform throughout  
22 the State.

23 (f) The remaining money in each pool shall be distributed among the holders of  
24 winning tickets in a manner the Commission by rules prescribes for each type of pool.

25 **"§ 16A-52. Breakage.**

26 (a) Breakage shall be computed on the basis of payoffs rounded down to the next  
27 lowest increment of ten cents (10¢), with a minimum payoff of two dollars and twenty  
28 cents (\$2.20) on a two-dollar (\$2.00) ticket, except that the licensee may reduce the  
29 minimum payoff to two dollars and ten cents (\$2.10) on a two-dollar (\$2.00) ticket if  
30 there is not a sufficient amount in a pool to make a minimum payoff of two dollars and  
31 twenty cents (\$2.20).

32 (b) A licensee shall be permitted to retain all monies representing the breakage  
33 provided that those funds are used for special events, publicity, promotions, and projects  
34 of the facility.

35 **"§ 16A-53. Backstretch Fund.**

36 A licensee shall annually furnish to the Commission all net underpayments over net  
37 overpayments. The funds received by the Commission under this section shall be used  
38 by the Commission for a Backstretch Fund to provide services to jockeys and race track  
39 workers who would reside at the licensed facilities including dormitories, the track  
40 chaplaincy, jockey and worker disability payments, and other social and educational  
41 services.

42 **"§ 16A-54. Capital improvements.**

1       (a) From the amounts deducted from all pari-mutuel pools by a licensee, an  
2 amount equal to one percent (1%) of all money in all pools shall be set aside by the  
3 licensee and used for capital improvements.

4       (b) With the permission of the Commission, that amount may be accumulated  
5 from year to year provided the funds are directly specified to be used on a qualified  
6 project.

7 **"§ 16A-55. Purses.**

8       (a) From the amounts deducted from all horse racing pari-mutuel pools by a  
9 licensee, an amount equal to seven percent (7%) of all money in all pools shall be set  
10 aside by the licensee for horse racing and used for purses for horse races conducted by  
11 the licensee.

12       (b) From the amounts deducted from all pari-mutuel pools by all licenses, an  
13 amount equal to one percent (1%) of all money in all pools shall be set aside by the  
14 licensee for use in the North Carolina Horse Breeding and Development Funds  
15 described in this Chapter.

16 **"§ 16A-56. Payments to State.**

17       (a) There is imposed on the total amount wagered on all pari-mutuel pools on  
18 each racing day a tax of one-half of one percent (1/2 of 1%) except that the State shall  
19 receive an additional one-half of one percent (1/2 of 1%) of all super exotic pools  
20 involving five or more selections.

21       (b) A licensee annually shall furnish to the Commission all net underpayments  
22 over net overpayments.

23       (c) A licensee shall designate and pay to the Commission for deposit in the  
24 respective North Carolina Horse Breeding and Development Funds one percent (1%) of  
25 the total amount wagered on all pari-mutuel pools on each racing day.

26       (d) The taxes imposed by this section shall be paid from the amounts permitted to  
27 be withheld by a licensee under G.S. 16A-55.

28       (e) The Commission may impose an additional admissions tax of not more than  
29 ten cents (10¢) per person at any licensed race facility if:

30           (1) The additional tax is requested by a local unit of government within  
31 whose borders the facility is located;

32           (2) A public hearing is held on the request; and

33           (3) The Commission finds that the local unit of government requesting the  
34 additional tax is in need of its revenue to meet extraordinary expenses  
35 caused by the facility.

36 **"§ 16A-57. Payment.**

37       (a) The licensee shall remit the tax to the Commission or its representative within  
38 seven days of the day on which it was collected.

39       (b) The payments shall be accompanied by a detailed statement of the remittance  
40 on a form the Commission prescribes.

41       (c) The Commission may by rule provide for the direct deposit of required  
42 payments in the Commission's account in a financial institution within the State and for  
43 determining the time of applicability of different tax rates under G.S. 16A-56.

44 **"§ 16A-58. Tax exclusive.**

1       The tax imposed by G.S. 16A-56 is in lieu of any tax or license fee, other than the  
2 taxes on real property, imposed by a political subdivision and is in lieu of any other  
3 sales or excise tax imposed by the State on race facility admissions or pari-mutuel pools  
4 or pari-mutuel ticket sales.

5 **"§ 16A-59. Reports.**

6       (a) Within 100 days of the end of a racing meeting, a licensee collecting the taxes  
7 imposed by G.S. 16A-56 shall file with the Commission a certified statement of receipts  
8 from all sources during the racing meeting and of expenses and disbursements, itemized  
9 on a form the Commission prescribes after consultation with the State Auditor, showing  
10 the licensee's net revenues from all sources.

11       (b) The statement shall be prepared by a certified public accountant in  
12 accordance with generally accepted auditing standards.

13 **"§ 16A-60. Breeding funds.**

14       (a) The Commission shall establish the North Carolina Horse Breeding and  
15 Development Funds with the respective monies from horse racing paid to it under G.S.  
16 16A-56.

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

- 19           (1) North Carolina Purse Enrichment;
- 20           (2) Breeders Awards;
- 21           (3) North Carolina Stallion Owner Awards;
- 22           (4) Owners Premium Awards; and
- 23           (5) Research related to racing horses.

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

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

29 **"§ 16A-61. Distribution of taxes and fees collected by the Commission.**

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

- 32           (1) All money designated for deposit in the North Carolina Horse  
33 Breeding and Development Funds shall be paid into those funds for  
34 distribution under G.S. 16A-60.
- 35           (2) Revenue from an additional admissions tax of ten cents (10¢) per  
36 person imposed under G.S. 16A-56 shall be paid to the local unit of  
37 government at whose request it was imposed, at times and in the  
38 manner the Commission, by rule, determines.
- 39           (3) All other revenues received under this Chapter by the Commission,  
40 and all license fees and other revenues it receives, shall be paid to the  
41 Commission and shall be deposited by the State Treasurer to the  
42 account of the Commission.

43       All monies remaining after (i) the payment of all expenses incurred in the  
44 administration of this Chapter; and (ii) the deposit into the North Carolina Horse

1 Breeding and Development Funds of all amounts required by G.S. 16A-50, shall be  
2 allocated, combined by the Commission with other excess funds, or paid not less  
3 frequently than once each calendar year, twenty-five percent (25%) to:

4 (1) Agricultural research;

5 (2) Agriculture extension education (includes 4-H);

6 (3) Nonracing horse breeds;

7 (4) North Carolina State University Veterinary Teaching Hospital to be  
8 used to help develop the laboratory facilities needed for drug testing  
9 and drug research;

10 (5) Agricultural program at North Carolina A&T; and

11 (6) Other allocations as specified by the General Assembly for any fiscal  
12 year, in furtherance of the purposes of this Chapter.

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

15 (b) If any allocation of any portion of the net revenues of the Commission  
16 pursuant to any provision of this Article cannot be made for any reason, then the failure  
17 of the allocation shall not impair the validity or effectiveness of any part of this Chapter  
18 other than the provisions specifically providing for that allocation, nor shall the failure  
19 of the allocation adversely affect any other allocation of net revenues under this  
20 Chapter.

21 **"§ 16A-62. Policy.**

22 It is expressly declared that the primary purpose of this Chapter is to provide a  
23 means for permitting and regulating horse racing and pari-mutuel wagering, and,  
24 further, that it is not a primary purpose of this Chapter to provide funds for the various  
25 governmental bodies and public or private institutions and organizations to which  
26 allocations or portions of the net revenues of the Commission are made pursuant to this  
27 Article. The allocations of any net revenues made pursuant to this Article represent the  
28 legislative effort to confer incidental incentives and benefits upon a spectrum of animal,  
29 agricultural, and governmental activities that develop the State's tourism, equine  
30 industry, and farmland usage.

31 **"§ 16A-63. Prohibited acts.**

32 (a) A licensee may not accept a wager from any person under the age of 21 years.

33 (b) A licensee may not accept a wager of less than two dollars (\$2.00) from  
34 anyone.

35 (c) No one under 21 years of age is allowed to be in the betting area.

36 (d) During day hours, there is no minimum age for attendance at a racing facility.  
37 During night hours, minors ages 12 to 17 shall be accompanied by an adult, and no  
38 person under the age of 12 shall be permitted to attend.

39 **"§ 16A-64. Televised races.**

40 (a) The Commission by rule may permit a Class B licensee to conduct pari-  
41 mutuel wagering on horse races run in this or other states and broadcast by television on  
42 the premises of the licensed racing facility.



1       **(b)** All provisions of law governing pari-mutuel wagering apply to pari-mutuel  
2 wagering on televised races except as otherwise provided in this section or in the  
3 Commission's rules.

4       **(c)** Pari-mutuel pools conducted on televised races may consist only of money  
5 wagered on the premises and may, pursuant to rules issued by the Commission, be  
6 commingled with other pools off the premises.

7       **(d)** Proceeds from the pari-mutuel pool may be used by the licensee, pursuant to  
8 rules issued by the Commission, to:

9           **(1)** Pay a fee to the person or entity conducting the race for the privileges  
10 of conducting pari-mutuel wagering on the race;

11           **(2)** Pay the cost of transmitting the broadcast of the race; and

12           **(3)** Pay part of the take-out designated to enhance purses to the sending  
13 facility and to enhance purse structure.

14       **(e)** Pari-mutuel wagering on a televised race may be conducted on a racing day  
15 other than a racing day assigned by the Commission.

16       **(f)** The take-out and taxes on pari-mutuel pools on televised races are as  
17 provided for other pari-mutuel pools.

18       **(g)** All televised races under this section shall comply with the Interstate Horse  
19 Racing Act of 1978 as found in the United States Code, Title 15, section 3001 and the  
20 following relevant sections.

21       **(h)** Nothing contained in this Chapter shall be construed to authorize or legalize  
22 any wagering or gambling at any location other than the pari-mutuel facilities licensed  
23 by this Commission.

24 **"§ 16A-65. Racing dates.**

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

28       **(b)** Racing may be conducted any six of seven afternoons or nights a week  
29 throughout the year, except post or matinee starting times on Sundays shall not be  
30 before 1:30 p.m. and not after 6:00 p.m.

31 **"§ 16A-66. Assignment of racing days.**

32       **(a)** The Commission shall assign racing days to each licensee authorized to  
33 conduct racing with pari-mutuel wagering and a licensee may conduct matinee and  
34 evening racing with pari-mutuel wagering only on a racing day assigned by the  
35 Commission.

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

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

41 **"§ 16A-67. Racing days; hearing.**

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

43           **(1)** Make an assignment of racing days;

44           **(2)** Revise the assignment during the year; or

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

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

6 **"§ 16A-68. Required races.**

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

10           (1) Before January 1, 1999, is limited to horses which are North Carolina-  
11 bred, North Carolina-foaled, North Carolina-trained, or North  
12 Carolina-owned, and

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

20 **"§ 16A-69. Prohibited assignments.**

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

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

26 **"§ 16A-70. Rescinding of racing days.**

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

30 **"§ 16A-71. Stewards, powers and duties.**

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

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

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

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

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

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

42           (3) To settle disputes arising from the running of horse races and to certify  
43 official results;



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

4 **"§ 16A-80. Civil penalties.**

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

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

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

14       (d) A person who has a civil penalty assessed against them may commence a  
15 contested case hearing pursuant to Chapter 150B of the General Statutes.

16 **"§ 16A-81. Rule-making authority.**

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

- 19       (1) The conduct of horse races held at licensed race facilities in North  
20 Carolina, including, but not limited to, the rules of racing, standards of  
21 entry, operation of claiming races, filing and handling of objections,  
22 carrying of weights, and declaration of official results;
- 23       (2) Wire communications between the premises of a licensed race facility  
24 and any place outside the premises;
- 25       (3) Information on horse races which is sold on the premises of a licensed  
26 race facility;
- 27       (4) Liability insurance which it may require of all Class A, Class B, and  
28 Class D licensees;
- 29       (5) The auditing of the books and records of a licensee by an auditor  
30 employed or appointed by the Commission;
- 31       (6) Emergency action plans maintained by licensed race facilities and their  
32 periodic review;
- 33       (7) Safety, security, and sanitation of stabling facilities at licensed race  
34 facilities as well as general guidelines regarding off-track stables;
- 35       (8) Entry fees and other funds received by a licensee in the course of  
36 conducting racing which the commission determines shall be placed in  
37 escrow accounts; and
- 38       (9) Any other aspect of horse racing or pari-mutuel wagering which in its  
39 opinion affects the integrity of racing or the public health, welfare, or  
40 safety.

41       Rules of the Commission are subject to the North Carolina Administrative Procedure  
42 Act.

43 **"§ 16A-82. Illegal wagering.**

1 No person may place or accept a wager on or off the premises of a licensed race  
2 facility other than a wager made within a licensed pari-mutuel system.

3 **"§ 16A-83. Off-track wagers; bookmaking.**

4 No person may, as part of an organized commercial activity, place or accept a wager  
5 off the premises of a licensed race facility for delivery to a licensed race facility.

6 **"§ 16A-84. Transmission of racing information prohibited.**

7 (a) With the exception of television or radio coverage of races authorized in  
8 accordance with G.S. 16A-64, it shall be unlawful for any person to transmit or  
9 communicate to another person by any means whatsoever the results, changing odds,  
10 track conditions, or other information relating to any horse race from any race facility in  
11 this State between the period of time beginning one hour prior to the first race of the day  
12 and ending 30 minutes after the posting of the official results of each race, as to that  
13 particular race, except this period may be reduced to permit the transmitting of the result  
14 of the last race each day not sooner than 15 minutes after the official posting of the  
15 results.

16 (b) The Commission may by rule permit the immediate transmission by radio,  
17 television (other than television or radio coverage pursuant to G.S. 16A-64), or press  
18 wire of any pertinent information concerning special or feature races.

19 (c) It shall be unlawful for any person to transmit by any means whatsoever  
20 racing information to any other person or relay the same to any other person by word of  
21 mouth, by signal, or by use of telephone, telegraph, radio, or any other means when the  
22 information is knowingly used or intended to be used for illegal gambling purposes or is  
23 used in furtherance of illegal gambling purposes.

24 **"§ 16A-85. Influencing races.**

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

26 (1) Making threats;

27 (2) Offering anything of value to a person involved in the conduct of a  
28 race in return for that person's committing an illegal act or failing to  
29 perform a duty; or

30 (3) Conspiring with or seeking or having an understanding or agreement  
31 with a person involved in the conduct of a race to commit an illegal act  
32 or to fail to perform a duty.

33 **"§ 16A-86. Tampering with horses.**

34 No person may:

35 (1) On the premises of a licensed race facility, use, have in his possession  
36 with intent to use, or knowingly assist another person in using a  
37 battery or buzzer, electrical or mechanical, or other device or  
38 appliance, which can be used to affect a horse's racing condition or  
39 performance, other than an ordinary whip for a horse;

40 (2) Affect or attempt to affect the racing condition or performance of a  
41 horse at a race or workout through the use of a drug or medication in  
42 violation of the Commission's rules;

- 1           (3) Use any method, injurious or otherwise, to affect a horse's racing  
2 condition or performance at a race or workout in violation of the  
3 Commission's rules;
- 4           (4) Knowingly enter or cause to be entered in a race any horse under an  
5 assumed name or out of its proper grade or class;
- 6           (5) Change the name of any horse for the purpose of entry in a race after  
7 the horse has once raced except as provided by the operator's rules  
8 under which the contest is advertised to be run; or
- 9           (6) Knowingly misrepresent or fraudulently conceal the public  
10 performance in any former race of any horse that is proposed to be  
11 entered in a race, whether the horse is actually entered or not.

12 **"§ 16A-87. False time by official timer.**

13 No official timer at any race shall willfully and falsely announce a slower or faster  
14 time than that actually run by a horse when the result of that race is to constitute a  
15 record.

16 **"§ 16A-88. Reporting of information.**

17 A person licensed by the Commission who has information regarding a violation of  
18 any provision of this Chapter shall report that information promptly to the Commission  
19 or an agent of the Commission.

20 **"§ 16A-89. False statement.**

21 No person may knowingly make a false statement in a document or application  
22 required to be submitted to the Commission or in a sworn statement to or testimony  
23 before the Commission.

24 **"§ 16A-90. Altered tickets.**

25 No person may knowingly offer for payment any pari-mutuel ticket which has been  
26 altered or any counterfeit or forged pari-mutuel ticket.

27 **"§ 16A-91. Conducting race without license.**

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

30 (b) Any person wagering upon the results of a race conducted without the proper  
31 license, except in the case of pari-mutuel wagering conducted by an operator in  
32 accordance with the provisions of this Chapter, shall be guilty of a misdemeanor.

33 **"§ 16A-92. Misuse of license.**

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

37 **"§ 16A-93. Class G felonies.**

38 A violation of G.S. 16A-85 or G.S. 16A-86 is a Class G felony, in addition to any  
39 civil penalty which may be imposed pursuant to this Article.

40 **"§ 16A-94. Class H felonies.**

41 A violation of the prohibition contained in G.S. 16A-83 or a violation of G.S. 16A-  
42 90 is a Class H felony, in addition to any civil penalty which may be imposed pursuant  
43 to this Article.

44 **"§ 16A-95. Class I felonies.**

1 A violation of G.S. 16A-88 or G.S. 16A-89 is a Class I felony, in addition to any  
2 civil penalty which may be imposed pursuant to this Article.

3 **"§ 16A-96. Misdemeanors.**

4 A violation of any other provision of this Chapter or the General Statutes relating to  
5 this Chapter, or of a rule or order of the Commission for which another penalty is not  
6 provided is a misdemeanor, in addition to any civil penalty which may be imposed  
7 pursuant to this Chapter.

8 **"§ 16A-97. Persons excluded.**

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

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

17 **"§ 16A-98. Disqualification due to gambling activities.**

18 No person who engages in the practice of professional gambling on horse races, or  
19 in the practice of making gambling or wagering books on races, or who knowingly takes  
20 any part in that practice, shall be eligible as an applicant for any license or permit to  
21 own or operate a race facility or conduct racing activities under the provisions of this  
22 Chapter, or to be connected therewith in any capacity; and any corporation, partnership,  
23 or other entity which has an officer, director, stockholder, partner, or executive or who  
24 employs any person who engages in those practices shall likewise be ineligible as a  
25 licensee; and the Commission may inquire into these matters in considering any  
26 application and otherwise in administering this Chapter.

27 **"§ 16A-99. Appeal; hearing.**

28 An order to exclude a person from any or all licensed race facilities in the State shall  
29 be made by the Commission after a public hearing of which the person to be excluded  
30 shall have at least 15 days' notice. If the person is present at the hearing, the person shall  
31 be permitted to show cause why the person should not be excluded. An appeal of the  
32 order may be made in the same manner as other appeals under G.S. 16A-78.

33 **"§ 16A-100. Notice to race facilities.**

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

38 **"§ 16A-101. Prohibitions.**

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

43 **"§ 16A-102. Exclusions by race facility.**

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

11                                   "ARTICLE 6.

12                                   "MISCELLANEOUS.

13       "§ 16A-103. Medication.

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

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

21       "§ 16A-104. Possession of certain drugs prohibited.

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

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

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

28       "§ 16A-105. Advisory committee.

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

32       "§ 16A-106. Determination of class.

33       The grade or class to which a horse belongs for the purpose of an entry in any race  
34 shall be determined by the public performance of that horse in any former race, except  
35 as provided by the operator's rules under which the proposed race is advertised to be  
36 run.

37       "§ 16A-107. Provisions of this Chapter control.

38       Insofar as the provisions of this Chapter may be inconsistent with the provisions of  
39 any other law concerning activities and actions authorized by this Chapter, including,  
40 but not limited to, Chapters 14 and 16 of the General Statutes, the provisions of this  
41 Chapter shall control, it being specifically declared that any other provisions of existing  
42 law, ordinance, or regulation that prohibit or regulate horse racing, admissions,  
43 gambling, or pari-mutuel wagering shall not be applicable to any activities or actions  
44 authorized by this Chapter."



1           Sec. 2. G.S. 14-289 reads as rewritten:

2   **"§ 14-289. Advertising lotteries.**

3       Except in connection with a lawful raffle as provided in Part 2 of this Article, if  
4 anyone by writing or printing or by circular or letter or in any other way, advertise or  
5 publish an account of a lottery, whether within or without this State, stating how, when  
6 or where the same is to be or has been drawn, or what are the prizes therein or any of  
7 them, or the price of a ticket or any share or interest therein, or where or how it may be  
8 obtained, he shall be guilty of a misdemeanor. As used in this Article, the word 'lottery'  
9 does not include pari-mutuel wagering conducted in accordance with the provisions of  
10 Chapter 16A of the General Statutes."

11           Sec. 3. G.S. 14-292 reads as rewritten:

12   **"§ 14-292. Gambling.**

13       Except as provided in Part 2 of this Article, any person or organization that operates  
14 any game of chance or any person who plays at or bets on any game of chance, other  
15 than pari-mutuel wagering conducted in accordance with the provisions of Chapter 16A  
16 of the General Statutes, at which any money, property or other thing of value is bet,  
17 whether the same be in stake or not, shall be guilty of a misdemeanor."

18           Sec. 4. There is appropriated from the General Fund to the North Carolina  
19 Racing Commission the sum of one hundred fifty thousand dollars (\$150,000) for fiscal  
20 year 1993-94 to provide initial start-up funds for the Commission. This appropriation  
21 shall be repaid to the General Fund out of the proceeds collected under the provisions of  
22 this Chapter.

23           Sec. 5. It is the intent of this act that the Commission shall be a self-  
24 supporting agency of State government located in the Department of Commerce. No  
25 appropriations, loans, or other transfer of State funds shall be made to the Commission  
26 except for appropriations for initial start-up costs of the Commission as provided by this  
27 act. Any other appropriation, loan, or transfer of State funds to any other entity for the  
28 purposes of horse racing with pari-mutuel wagering is prohibited.

29           Sec. 5.1. G.S. 120-123 is amended by adding a new subdivision to read:

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

31           Sec. 6. G.S. 147-69.2(a) is amended by adding a new subdivision to read:

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

33           Sec. 7. If approved by the qualified voters of the State of North Carolina,  
34 Sections 1 through 6 of this act shall become effective on the first day of the second  
35 month following the election. The question of approval of this act shall be submitted to  
36 the qualified voters of the State of North Carolina at an election held on November 2,  
37 1993.

38           The referendum shall be held in accordance with the provisions of Chapter  
39 163 of the General Statutes, and the form of the ballot shall be:

40           " FOR approval of an act establishing horse racing and a State Racing  
41 Commission.

42            AGAINST approval of an act establishing horse racing and a State  
43 Racing Commission."

1                   If less than a majority of the votes are cast in favor of the approval of this act,  
2 it shall have no force or effect.

3                   Sec. 8. Sections 7 and 8 of this act are effective upon ratification.