By: Chairman, Ways and Means Committee (By Request - Departmental - Labor, Licensing and Regulation)
Introduced and read first time: February 1, 2006
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

Horse Racing - Interstate Compact on Licensure of Participants in Live Racing with Pari-Mutuel Wagering

FOR the purpose of entering into an interstate compact with other racing jurisdictions for the licensure of participants in live horse racing with pari-mutuel wagering; creating a compact committee; providing for membership and alternate membership of the compact committee; providing for the powers and duties of the compact committee; providing for an individual to be licensed by the compact committee and, as a result, be able to practice the individual's profession in all states that are members of the compact; prohibiting the compact committee from denying a license; providing for a procedure when the compact committee determines that an applicant is ineligible; establishing the voting requirements of the compact committee; providing for certain immunity from personal liability under certain circumstances; requiring each state that is a party to the compact to take certain actions; providing that each party state is not to be held liable for certain debts incurred by the compact committee; providing for the construction of this Act; making the provisions of this Act severable; directing the Governor to take certain actions; and generally relating to the licensing and regulation under an interstate compact of certain individuals participating in live horse racing in the State.


SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
Article - Business Regulation

SUBTITLE 13. NATIONAL RACING COMPACT.

11-1301.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "COMPACT COMMITTEE" MEANS THE ORGANIZATION OF OFFICIALS FROM THE PARTY STATES THAT IS AUTHORIZED AND EMPOWERED BY THIS COMPACT TO CARRY OUT THE PURPOSES OF THIS COMPACT.

(C) "OFFICIAL" MEANS THE DULY SELECTED MEMBER OF A PARTY STATE RACING COMMISSION, OR ITS EQUIVALENT, WHO REPRESENTS THAT PARTY STATE AS A MEMBER OF THE COMPACT COMMITTEE.

(D) "PARTICIPANTS IN LIVE RACING" MEANS PARTICIPANTS IN LIVE HORSE RACING WITH PARI-MUTUEL WAGERING IN THE PARTY STATES.

(E) "PARTY STATE" MEANS EACH STATE THAT HAS ENACTED THIS COMPACT.

(F) "STATE" MEANS EACH OF THE SEVERAL STATES OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH OF PUERTO RICO, AND EACH TERRITORY OR POSSESSION OF THE UNITED STATES.

11-1302.

THE PURPOSES OF THIS COMPACT ARE TO:

(1) DERIVE UNIFORM REQUIREMENTS AMONG THE PARTY STATES FOR THE LICENSURE OF PARTICIPANTS IN LIVE HORSE RACING WITH PARI-MUTUEL WAGERING;

(2) ENSURE THAT ALL LICENSEES PURSUANT TO THIS COMPACT MEET A UNIFORM MINIMUM STANDARD OF HONESTY AND INTEGRITY;

(3) FACILITATE THE GROWTH OF THE HORSE RACING INDUSTRY BY SIMPLIFYING THE PROCESS FOR QUALIFIED APPLICANTS FOR A LICENSE TO PARTICIPATE IN LIVE RACING;

(4) REDUCE THE COST INCURRED BY EACH STATE AND APPLICANT FROM THE SEPARATE LICENSING PROCESS CONDUCTED BY EACH STATE THAT CONDUCTS LIVE HORSE RACING;

(5) AUTHORIZE THE MARYLAND RACING COMMISSION TO PARTICIPATE IN THIS COMPACT;

(6) PERMIT OFFICIALS FROM THE PARTY STATES TO PARTICIPATE IN THIS COMPACT;
THROUGH THE COMPACT COMMITTEE ESTABLISHED BY THIS COMPACT, ENTER INTO CONTRACTS WITH GOVERNMENTAL AGENCIES AND OTHER PERSONS TO CARRY OUT THE PURPOSES OF THIS COMPACT; AND

ESTABLISH THE COMPACT COMMITTEE CREATED BY THIS COMPACT AS AN INTERSTATE GOVERNMENTAL ENTITY DULY AUTHORIZED TO REQUEST AND RECEIVE CRIMINAL HISTORY RECORD INFORMATION FROM:

(1) THE FEDERAL BUREAU OF INVESTIGATION;

(II) STATE AND LOCAL AUTHORITIES; AND

(III) FOREIGN LAW ENFORCEMENT AGENCIES.

THIS COMPACT SHALL BECOME EFFECTIVE AS TO ANY PARTY STATE THAT ENACTS THIS COMPACT ON THE AFFIRMATIVE VOTE OF A MAJORITY OF THE OFFICIALS ON THE COMPACT COMMITTEE.

ANY STATE THAT HAS ADOPTED OR AUTHORIZED HORSE RACING WITH PARI-MUTUEL WAGERING SHALL BE ELIGIBLE TO BECOME A PARTY TO THIS COMPACT.

ANY PARTY STATE MAY WITHDRAW FROM THIS COMPACT BY ENACTING A STATUTE REPEALING THIS COMPACT, BUT NO SUCH WITHDRAWAL SHALL BECOME EFFECTIVE UNTIL THE HEAD OF THE EXECUTIVE BRANCH OF THE WITHDRAWING STATE HAS GIVEN NOTICE IN WRITING OF SUCH WITHDRAWAL TO THE HEAD OF THE EXECUTIVE BRANCH OF ALL OTHER PARTY STATES.

IF WITHDRAWALS REDUCE PARTICIPATION IN THIS COMPACT TO LESS THAN THREE PARTY STATES, THIS COMPACT NO LONGER SHALL BE IN EFFECT UNTIL THERE ARE THREE OR MORE PARTY STATES AGAIN PARTICIPATING IN THIS COMPACT.

THERE IS HEREBY CREATED AN INTERSTATE GOVERNMENTAL ENTITY KNOWN AS THE COMPACT COMMITTEE, TO BE COMPRISED OF ONE OFFICIAL FROM THE RACING COMMISSION, OR ITS EQUIVALENT, OF EACH PARTY STATE, WHO SHALL BE SELECTED, SERVE, AND BE REMOVED IN ACCORDANCE WITH THE LAWS OF THE OFFICIAL’S PARTY STATE.

EACH OFFICIAL SHALL HAVE, IN ACCORDANCE WITH THE LAWS OF THAT PARTY STATE, THE ASSISTANCE OF THAT STATE’S RACING COMMISSION, OR ITS EQUIVALENT, IN CONSIDERING ISSUES RELATED TO LICENSING OF PARTICIPANTS IN
WHERE AN OFFICIAL IS UNABLE TO PERFORM ANY DUTY OF THE COMPACT COMMITTEE:

(1) AN ALTERNATE SHALL SERVE, UNTIL THE ORIGINAL CAN RETURN TO DUTY, AS THAT PARTY STATE’S OFFICIAL ON THE COMPACT COMMITTEE; AND

(2) THE DESIGNATION OF AN ALTERNATE SHALL BE COMMUNICATED BY THAT PARTY STATE’S RACING COMMISSION, OR ITS EQUIVALENT, TO THE COMPACT COMMITTEE, AS REQUIRED BY THE APPLICABLE BYLAWS.

THE CHAIRMAN OF THE RACING COMMISSION SHALL DESIGNATE THE OFFICIAL, AND OFFICIAL’S ALTERNATE, TO REPRESENT THE STATE OF MARYLAND ON THE COMPACT COMMITTEE.

IN ORDER TO CARRY OUT THE PURPOSES OF THIS COMPACT, THE COMPACT COMMITTEE IS HEREBY GRANTED THE POWER AND DUTY TO:

(1) DETERMINE WHICH CATEGORIES OF PARTICIPANTS IN LIVE RACING SHALL BE LICENSED BY THE COMPACT COMMITTEE;

(2) ESTABLISH THE TERM, INITIAL REQUIREMENTS, AND RENEWAL REQUIREMENTS FOR EACH LICENSED CATEGORY;

(3) ADOPT LICENSURE REQUIREMENTS COMPARABLE, IN ITS JUDGMENT, TO THE MOST RESTRICTIVE PARTY STATE’S REQUIREMENTS FOR SUCH A LICENSE;

(4) INVESTIGATE LICENSE APPLICANTS AND, AS PERMITTED BY FEDERAL AND STATE LAW, GATHER INFORMATION, INCLUDING CRIMINAL HISTORY RECORD INFORMATION, FROM:

(I) THE FEDERAL BUREAU OF INVESTIGATION;

(II) STATE AND LOCAL AUTHORITIES; AND

(III) FOREIGN COUNTRY LAW ENFORCEMENT AGENCIES;

(5) ENTER INTO CONTRACTS AND AGREEMENTS WITH GOVERNMENTAL AGENCIES AND OTHER PERSONS TO PROVIDE PERSONAL SERVICES FOR ITS ACTIVITIES AND SUCH OTHER SERVICES AS MAY BE NECESSARY;

(6) (I) CREATE, APPOINT, AND ABOLISH ALL THOSE OFFICES, EMPLOYMENTS, AND POSITIONS, INCLUDING AN EXECUTIVE DIRECTOR, USEFUL TO FULFILL ITS PURPOSES;

(II) PRESCRIBE THEIR POWERS, DUTIES, AND QUALIFICATIONS;
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(III) HIRE PERSONS; AND

(IV) PROVIDE FOR THEIR TERM, TENURE, REMOVAL, COMPENSATION, FRINGE AND RETIREMENT BENEFITS, AND OTHER CONDITIONS OF EMPLOYMENT;

(7) BORROW, ACCEPT, AND CONTRACT FOR THE SERVICES OF PERSONNEL FROM ANY STATE, FEDERAL, OR OTHER GOVERNMENTAL AGENCY OR FROM ANY OTHER PERSON OR ENTITY;

(8) ACQUIRE, HOLD, AND DISPOSE OF ANY REAL OR PERSONAL PROPERTY BY GIFT, PURCHASE, LEASE, LICENSE, AND SIMILAR MEANS IN FURTHERANCE OF THE PURPOSES OF THIS COMPACT;

(9) CHARGE AND COLLECT A FEE, WHETHER FOR LICENSURE OR RENEWAL, FROM EACH LICENSE APPLICANT; AND

(10) RECEIVE ADDITIONAL FUNDS THROUGH GIFTS, GRANTS, AND APPROPRIATIONS.

(B) CRIMINAL HISTORY RECORD INFORMATION MAY BE RECEIVED AND REVIEWED ONLY BY THE OFFICIALS ON, AND EMPLOYEES OF, THE COMPACT COMMITTEE WHICH MAY BE USED ONLY FOR THE PURPOSES OF THIS COMPACT.

(C) NO OFFICIAL OR EMPLOYEE OF THE COMPACT COMMITTEE MAY DISCLOSE OR DISSEMINATE CRIMINAL HISTORY RECORD INFORMATION TO ANY PERSON OR ENTITY OTHER THAN ANOTHER OFFICIAL ON, OR EMPLOYEE OF, THE COMPACT COMMITTEE.

(D) THE COMPACT COMMITTEE, ITS EMPLOYEES, OR ITS DESIGNEE SHALL:

(1) TAKE THE FINGERPRINTS OF EACH LICENSE APPLICANT ON A FINGERPRINT CARD OR BY ELECTRONIC OR OTHER MEANS AUTHORIZED BY THE FEDERAL BUREAU OF INVESTIGATION OR OTHER RECEIVING LAW ENFORCEMENT AGENCY; AND

(2) IN ACCORDANCE WITH P.L. 92-544 OR P.L. 100-413, FORWARD THE FINGERPRINTS TO AN IDENTIFICATION BUREAU OR TO AN ASSOCIATION OF STATE OFFICIALS REGULATING PARI-MUTUEL WAGERING.

(E) THE COMPACT COMMITTEE SHALL ISSUE AND RENEW LICENSES FOR PARTICIPANTS IN LIVE RACING WHO ARE FOUND BY THE COMPACT COMMITTEE TO HAVE MET ITS LICENSURE OR RENEWAL REQUIREMENTS.

(F) THE COMPACT COMMITTEE DOES NOT HAVE THE POWER OR AUTHORITY TO DENY A LICENSE.

(G) IF THE COMPACT COMMITTEE DETERMINES THAT AN APPLICANT IS NOT ELIGIBLE:
THE COMPACT COMMITTEE SHALL NOTIFY THE APPLICANT THAT IT WILL NOT BE ABLE TO PROCESS THE LICENSE OR RENEWAL APPLICATION ANY FURTHER;

THE APPLICANT SHALL HAVE THE RIGHT TO PRESENT FURTHER EVIDENCE AND TO BE HEARD BY THE COMPACT COMMITTEE AFTER RECEIVING SUCH NOTIFICATION; AND

THE FINAL DECISION ON ISSUANCE OR RENEWAL OF AN APPLICANT'S LICENSE SHALL BE MADE BY THE COMPACT COMMITTEE.

THE COMPACT COMMITTEE SHALL HAVE THE FOLLOWING VOTING REQUIREMENTS:

(1) EACH OFFICIAL SHALL BE ENTITLED TO ONE VOTE ON THE COMPACT COMMITTEE;

(2) A MAJORITY VOTE OF THE TOTAL NUMBER OF OFFICIALS ON THE COMPACT COMMITTEE SHALL BE REQUIRED TO:

(I) ADMIT ANOTHER PARTY STATE;

(II) ISSUE OR RENEW A RACING LICENSE; AND

(III) RECEIVE OR DISTRIBUTE ANY FUNDS;

(3) A TWO-THIRDS MAJORITY VOTE OF THE TOTAL NUMBER OF OFFICIALS ON THE COMPACT COMMITTEE SHALL BE REQUIRED TO ADOPT, AMEND, OR RESCIND THE BYLAWS;

(4) ALL OTHER ACTIONS BY THE COMPACT COMMITTEE SHALL REQUIRE A MAJORITY VOTE OF THOSE OFFICIALS WHO ARE PRESENT FOR THE VOTE; AND

(5) NO ACTION MAY BE TAKEN BY THE COMPACT COMMITTEE UNLESS A QUORUM OF THE OFFICIALS ON THE COMPACT COMMITTEE IS PRESENT FOR THE VOTE.

THE COMPACT COMMITTEE SHALL:

(1) ANNUALLY ELECT, FROM ITS MEMBERS:

(I) A CHAIR;

(II) A VICE CHAIR; AND

(III) A SECRETARY/TREASURER;
ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;

PUBLISH THE BYLAWS IN A CONVENIENT FORM; AND

FILE A COPY OF THE BYLAWS, INCLUDING ANY AMENDMENTS, WITH THE SECRETARY OF STATE, OR ITS EQUIVALENT AGENCY, OF EACH PARTY STATE; AND

DELEGATE DAY-TO-DAY MANAGEMENT AND ADMINISTRATION OF ITS DUTIES, AS NEEDED, TO AN EXECUTIVE DIRECTOR AND SUPPORT STAFF, WHO SHALL BE CONSIDERED GOVERNMENTAL EMPLOYEES.

NO OFFICIAL OF A PARTY STATE OR EMPLOYEE OF THE COMPACT COMMITTEE SHALL BE HELD PERSONALLY LIABLE FOR ANY REASONABLE ACTION TAKEN IN GOOD FAITH THAT OCCURS DURING THE PERFORMANCE, AND WITHIN THE SCOPE, OF THEIR RESPONSIBILITIES AND DUTIES UNDER THIS COMPACT.

EACH PARTY STATE IN THE COMPACT SHALL:

ACCEPT THE DECISIONS OF THE COMPACT COMMITTEE REGARDING THE ISSUANCE OR RENEWAL OF LICENSES;

REIMBURSE, OR OTHERWISE PAY, THE EXPENSES OF ITS OFFICIAL ON THE COMPACT COMMITTEE;

NOT TREAT AS A DENIAL A NOTIFICATION TO AN APPLICANT BY THE COMPACT COMMITTEE REGARDING ITS INABILITY TO PROCESS THEIR APPLICATION;

RESERVE THE RIGHT TO:

CHARGE A FEE FOR THE USE OF A COMPACT LICENSE WITHIN THAT PARTY STATE;

APPLY ITS OWN STANDARDS TO DETERMINE WHETHER A COMPACT COMMITTEE LICENSE SHOULD BE SUSPENDED OR REVOKED;

APPLY ITS OWN STANDARDS FOR LICENSURE OR RENEWAL OF STATE APPLICANTS WHO DO NOT MEET THE LICENSURE REQUIREMENTS OF THE COMPACT COMMITTEE, OR WHO ARE WITHIN A CATEGORY OF PARTICIPANTS IN LIVE RACING WHICH THE COMPACT COMMITTEE DOES NOT LICENSE; AND

APPLY ITS OWN STANDARDS FOR LICENSURE OF NONRACING EMPLOYEES AT HORSE RACETRACKS AND AT SEPARATE OR SATELLITE WAGERING FACILITIES;
(5) THROUGH ITS RACING COMMISSION OR ITS EQUIVALENT, PROMPTLY NOTIFY THE COMPACT COMMITTEE OF ANY SUSPENSION OR REVOCATION THAT THE PARTY STATE HAS IMPOSED ON A COMPACT COMMITTEE LICENSEE; AND

(6) NOT BE HELD LIABLE FOR THE DEBTS OR OTHER FINANCIAL OBLIGATIONS INCURRED BY THE COMPACT COMMITTEE.

11-1312.

(A) THIS COMPACT SHALL BE LIBERALLY CONSTRUED SO AS TO EFFECTUATE ITS PURPOSES.

(B) THE PROVISIONS OF THIS COMPACT SHALL BE SEVERABLE.

(C) IF ANY PHRASE, CLAUSE, SENTENCE, OR PROVISION OF THIS COMPACT IS DECLARED TO BE CONTRARY TO THE CONSTITUTION OF THE UNITED STATES, THE REMAINDER OF THIS COMPACT SHALL REMAIN IN FULL FORCE AND EFFECT.

(D) IF ANY PHRASE, CLAUSE, SENTENCE, OR PROVISION OF THIS COMPACT IS DECLARED TO BE CONTRARY TO THE CONSTITUTION OR LAWS OF A PARTY STATE, SUBJECT TO THE PROVISION OF § 1305(B), THE COMPACT SHALL REMAIN IN FULL FORCE AND EFFECT AS TO THE REMAINING STATES.

(E) IF THE APPLICABILITY OF THIS COMPACT TO ANY GOVERNMENT, AGENCY, PERSON OR CIRCUMSTANCE IS HELD INVALID, THE APPLICABILITY OF THE COMPACT TO OTHER GOVERNMENTS, AGENCIES, PERSONS OR CIRCUMSTANCES SHALL NOT BE AFFECTED THEREBY.

SECTION 2. AND BE IT FURTHER ENACTED, That the General Assembly authorizes and directs the Governor of the State of Maryland to:

(1) execute and deliver on behalf of the State of Maryland all agreements and modifications of agreements that relate to the interstate compact on the licensing of participants in live racing with pari-mutuel wagering; and

(2) take those actions which may be necessary to effectuate the interstate compact on the licensing of participants in live racing with pari-mutuel wagering.

SECTION 3. AND BE IT FURTHER ENACTED, That nothing in this Act shall affect the authority of the Maryland Racing Commission to license and regulate individuals participating in horse racing in Maryland as authorized under the Business Regulation Article and as prescribed in Title 9, Subtitle 10, Code of Maryland Regulations and any additions or amendments thereto.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2006.