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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

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A BILL ENTITLED

1 AN ACT concerning

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

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

21 BY adding to

22 Article - Business Regulation

23 Section 11-1301 through 11-1312, inclusive, to be under the new subtitle

24 "Subtitle 13. National Racing Compact"

25 Annotated Code of Maryland

26 (2004 Replacement Volume and 2005 Supplement)

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

28 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Business Regulation**

## 2 SUBTITLE 13. NATIONAL RACING COMPACT.

3 11-1301.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
5 INDICATED.6 (B) "COMPACT COMMITTEE" MEANS THE ORGANIZATION OF OFFICIALS FROM  
7 THE PARTY STATES THAT IS AUTHORIZED AND EMPOWERED BY THIS COMPACT TO  
8 CARRY OUT THE PURPOSES OF THIS COMPACT.9 (C) "OFFICIAL" MEANS THE DULY SELECTED MEMBER OF A PARTY STATE  
10 RACING COMMISSION, OR ITS EQUIVALENT, WHO REPRESENTS THAT PARTY STATE  
11 AS A MEMBER OF THE COMPACT COMMITTEE.12 (D) "PARTICIPANTS IN LIVE RACING" MEANS PARTICIPANTS IN LIVE HORSE  
13 RACING WITH PARI-MUTUEL WAGERING IN THE PARTY STATES.

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

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

18 11-1302.

19 THE PURPOSES OF THIS COMPACT ARE TO:

20 (1) DERIVE UNIFORM REQUIREMENTS AMONG THE PARTY STATES FOR  
21 THE LICENSURE OF PARTICIPANTS IN LIVE HORSE RACING WITH PARI-MUTUEL  
22 WAGERING;23 (2) ENSURE THAT ALL LICENSEES PURSUANT TO THIS COMPACT MEET A  
24 UNIFORM MINIMUM STANDARD OF HONESTY AND INTEGRITY;25 (3) FACILITATE THE GROWTH OF THE HORSE RACING INDUSTRY BY  
26 SIMPLIFYING THE PROCESS FOR QUALIFIED APPLICANTS FOR A LICENSE TO  
27 PARTICIPATE IN LIVE RACING;28 (4) REDUCE THE COST INCURRED BY EACH STATE AND APPLICANT  
29 FROM THE SEPARATE LICENSING PROCESS CONDUCTED BY EACH STATE THAT  
30 CONDUCTS LIVE HORSE RACING;31 (5) AUTHORIZE THE MARYLAND RACING COMMISSION TO PARTICIPATE  
32 IN THIS COMPACT;33 (6) PERMIT OFFICIALS FROM THE PARTY STATES TO PARTICIPATE IN  
34 THIS COMPACT;

1 (7) THROUGH THE COMPACT COMMITTEE ESTABLISHED BY THIS  
2 COMPACT, ENTER INTO CONTRACTS WITH GOVERNMENTAL AGENCIES AND OTHER  
3 PERSONS TO CARRY OUT THE PURPOSES OF THIS COMPACT; AND

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

7 (I) THE FEDERAL BUREAU OF INVESTIGATION;

8 (II) STATE AND LOCAL AUTHORITIES; AND

9 (III) FOREIGN LAW ENFORCEMENT AGENCIES.

10 11-1303.

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

14 11-1304.

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

18 11-1305.

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

24 (B) IF WITHDRAWALS REDUCE PARTICIPATION IN THIS COMPACT TO LESS  
25 THAN THREE PARTY STATES, THIS COMPACT NO LONGER SHALL BE IN EFFECT UNTIL  
26 THERE ARE THREE OR MORE PARTY STATES AGAIN PARTICIPATING IN THIS  
27 COMPACT.

28 11-1306.

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

34 (B) EACH OFFICIAL SHALL HAVE, IN ACCORDANCE WITH THE LAWS OF THAT  
35 PARTY STATE, THE ASSISTANCE OF THAT STATE'S RACING COMMISSION, OR ITS  
36 EQUIVALENT, IN CONSIDERING ISSUES RELATED TO LICENSING OF PARTICIPANTS IN

1 LIVE RACING AND IN ACTING AS REPRESENTATIVE OF THAT STATE ON THE COMPACT  
2 COMMITTEE.

3 (C) WHERE AN OFFICIAL IS UNABLE TO PERFORM ANY DUTY OF THE  
4 COMPACT COMMITTEE:

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

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

10 (D) THE CHAIRMAN OF THE RACING COMMISSION SHALL DESIGNATE THE  
11 OFFICIAL, AND OFFICIAL'S ALTERNATE, TO REPRESENT THE STATE OF MARYLAND  
12 ON THE COMPACT COMMITTEE.

13 11-1307.

14 (A) IN ORDER TO CARRY OUT THE PURPOSES OF THIS COMPACT, THE  
15 COMPACT COMMITTEE IS HEREBY GRANTED THE POWER AND DUTY TO:

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

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

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

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

26 (I) THE FEDERAL BUREAU OF INVESTIGATION;

27 (II) STATE AND LOCAL AUTHORITIES; AND

28 (III) FOREIGN COUNTRY LAW ENFORCEMENT AGENCIES;

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

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

35 (II) PRESCRIBE THEIR POWERS, DUTIES, AND QUALIFICATIONS;

1 (III) HIRE PERSONS; AND

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

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

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

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

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

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

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

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

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

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

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

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

35 (G) IF THE COMPACT COMMITTEE DETERMINES THAT AN APPLICANT IS NOT  
36 ELIGIBLE:

1 (1) THE COMPACT COMMITTEE SHALL NOTIFY THE APPLICANT THAT IT  
2 WILL NOT BE ABLE TO PROCESS THE LICENSE OR RENEWAL APPLICATION ANY  
3 FURTHER;

4 (2) THE APPLICANT SHALL HAVE THE RIGHT TO PRESENT FURTHER  
5 EVIDENCE AND TO BE HEARD BY THE COMPACT COMMITTEE AFTER RECEIVING  
6 SUCH NOTIFICATION; AND

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

9 11-1308.

10 THE COMPACT COMMITTEE SHALL HAVE THE FOLLOWING VOTING  
11 REQUIREMENTS:

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

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

16 (I) ADMIT ANOTHER PARTY STATE;

17 (II) ISSUE OR RENEW A RACING LICENSE; AND

18 (III) RECEIVE OR DISTRIBUTE ANY FUNDS;

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

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

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

27 11-1309.

28 THE COMPACT COMMITTEE SHALL:

29 (1) ANNUALLY ELECT, FROM ITS MEMBERS:

30 (I) A CHAIR;

31 (II) A VICE CHAIR; AND

32 (III) A SECRETARY/ TREASURER;

- 1           (2)    (I)     ADOPT BYLAWS FOR THE CONDUCT OF ITS BUSINESS;
- 2                            (II)    PUBLISH THE BYLAWS IN A CONVENIENT FORM; AND
- 3                            (III)   FILE A COPY OF THE BYLAWS, INCLUDING ANY AMENDMENTS,  
4 WITH THE SECRETARY OF STATE, OR ITS EQUIVALENT AGENCY, OF EACH PARTY  
5 STATE; AND
- 6           (3)     DELEGATE DAY-TO-DAY MANAGEMENT AND ADMINISTRATION OF  
7 ITS DUTIES, AS NEEDED, TO AN EXECUTIVE DIRECTOR AND SUPPORT STAFF, WHO  
8 SHALL BE CONSIDERED GOVERNMENTAL EMPLOYEES.

9 11-1310.

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

14 11-1311.

15    EACH PARTY STATE IN THE COMPACT SHALL:

16           (1)     ACCEPT THE DECISIONS OF THE COMPACT COMMITTEE REGARDING  
17 THE ISSUANCE OR RENEWAL OF LICENSES;

18           (2)     REIMBURSE, OR OTHERWISE PAY, THE EXPENSES OF ITS OFFICIAL  
19 ON THE COMPACT COMMITTEE;

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

22           (4)     RESERVE THE RIGHT TO:

23                    (I)     CHARGE A FEE FOR THE USE OF A COMPACT LICENSE WITHIN  
24 THAT PARTY STATE;

25                    (II)    APPLY ITS OWN STANDARDS TO DETERMINE WHETHER A  
26 COMPACT COMMITTEE LICENSE SHOULD BE SUSPENDED OR REVOKED;

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

31                    (IV)   APPLY ITS OWN STANDARDS FOR LICENSURE OF NONRACING  
32 EMPLOYEES AT HORSE RACETRACKS AND AT SEPARATE OR SATELLITE WAGERING  
33 FACILITIES;

1 (5) THROUGH ITS RACING COMMISSION OR ITS EQUIVALENT, PROMPTLY  
2 NOTIFY THE COMPACT COMMITTEE OF ANY SUSPENSION OR REVOCATION THAT THE  
3 PARTY STATE HAS IMPOSED ON A COMPACT COMMITTEE LICENSEE; AND

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

6 11-1312.

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

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

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

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

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

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

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

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

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

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