

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 555 (Chairman, Ways and Means Committee)
(By Request – Departmental – Labor, Licensing, and Regulation)

Ways and Means

Finance

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

This departmental bill authorizes Maryland to enter into an interstate compact with other jurisdictions for the licensure of participants in live horse racing with pari-mutuel racing. The bill: (1) establishes a compact committee and provides for the membership and alternate membership of the committee; (2) provides for the powers and duties of the compact committee necessary to carry out the purposes of the compact; (3) provides for specified voting requirements; and (4) provides for the withdrawal from and severability of the compact.

The General Assembly authorizes and directs the Governor to: (1) execute and deliver on behalf 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 racing; 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 racing.

The bill does not affect the authority of the Maryland Racing Commission to license and regulate individuals participating in horse racing in Maryland.

Fiscal Summary

State Effect: None. Membership in the National Racing Compact will not affect licensing revenues received by the Maryland Racing Commission. Any travel expenses incurred by commission members or staff related to participation in the compact are assumed to be minimal and can be absorbed within existing budgeted resources.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The compact committee is defined as the organization of officials from the states that are party to the compact that is authorized and empowered by the compact to carry out the purposes of the compact.

The intended purposes of the 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 the 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 processes 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; (7) through the compact committee established by the compact, enter into contracts with governmental agencies and other persons to carry out the purposes of this compact; and (8) establish the compact committee created by the compact as an interstate governmental entity duly authorized to request and receive criminal history record information from the Federal Bureau of Investigation (FBI), state and local authorities, and foreign law enforcement agencies.

Background: The purpose of the National Racing Compact is to provide a clearinghouse for information related to individuals participating in live racing who have met uniform minimum licensing standards that are acceptable to all compact members and to also provide compact members with criminal history reports that would otherwise be restricted to the state requesting the information.

Currently, when an individual's fingerprints are submitted for a criminal history check with the FBI, the racing jurisdiction that submits the fingerprints may not share the information that may be returned with any other racing jurisdiction. The National Racing Compact has established the standard required by the FBI that permits members to share criminal information with other compact members. Compact members are able to receive criminal background information from the FBI within one to two hours in most instances, while it can take up to six weeks for noncompact members to receive the same information.

The ability to share criminal background information with other compact members is intended to provide the wagering public with greater confidence that participants in racing meet uniform standards in all participating racing jurisdictions.

There are currently 10 member states of the National Racing Compact. They are: California, Delaware, Florida, Kentucky, Louisiana, Nebraska, New York, Virginia, Washington, and West Virginia. In addition, there are 13 participating jurisdictions – including Maryland – that issue their own state licenses pending adoption of legislation to join the compact. In addition to Maryland, the participating jurisdictions are: Arizona; Arkansas; Colorado; Illinois; Iowa; Michigan; New Jersey; Ohio; Pennsylvania; Texas; Wyoming; and Ontario, Canada.

This bill is patterned after the National Racing Compact's model legislation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office; Department of Labor, Licensing, and Regulation; National Racing Compact; Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2006
ncs/rhh

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