

By: Representative Compretta

To: Gaming

HOUSE BILL NO. 1275

1 AN ACT TO LEGALIZE PARI-MUTUEL WAGERING ON HORSE RACES; TO
2 PROVIDE THAT THE MISSISSIPPI GAMING COMMISSION SHALL EXERCISE
3 CONTROL OVER THE PROVISIONS OF THIS ACT; TO PROVIDE THAT HORSE
4 RACING MAY ONLY BE CONDUCTED IN COUNTIES WHERE GAMING IS LEGAL; TO
5 SET FORTH THE DUTIES OF THE COMMISSION; TO PROVIDE FOR THE
6 OPERATION OF A RACETRACK OR RACE MEETING SCHEDULE; TO AUTHORIZE
7 THE COMMISSION TO PROMULGATE RULES ON PARI-MUTUEL WAGERING; TO
8 PROVIDE THAT THE PROVISIONS OF THIS ACT SHALL NOT APPLY TO CERTAIN
9 RACES; TO PROVIDE FOR THE METHOD OF PARI-MUTUEL WAGERING; TO
10 PROVIDE FOR DISTRIBUTION OF FUNDS; TO PROVIDE THAT A PERSON SHALL
11 BE GUILTY OF A MISDEMEANOR FOR CONDUCTING WAGERING NOT AUTHORIZED
12 BY THIS ACT; TO PROVIDE THAT ANY PERSON WHO ENGAGES IN THE
13 PRACTICE OF GAMBLING SHALL BE INELIGIBLE TO OPERATE A RACETRACK;
14 TO PROVIDE THAT A PERSON SHALL BE GUILTY OF A FELONY FOR
15 PREARRANGING RESULTS OF A RACE; TO PROVIDE THAT A PERSON SHALL BE
16 GUILTY OF A FELONY FOR UNLAWFUL TRANSMISSION OF RACE RESULTS; TO
17 PROVIDE THAT A PERSON SHALL BE GUILTY OF A MISDEMEANOR FOR
18 UNLAWFULLY PURCHASING PARI-MUTUEL TICKETS; TO RESTRICT MINORS FROM
19 RACES; TO AUTHORIZE THE COMMISSION TO APPROVE COMPUTATIONAL
20 EQUIPMENT; TO ALLOW THE COMMISSION TO EMPLOY SECURITY FORCES; TO
21 ALLOW THE COMMISSION TO ADOPT REGULATIONS PROHIBITING THE USE OF
22 DRUGS ON THE ANIMALS; TO PROVIDE THAT CERTAIN INDIVIDUALS ARE NOT
23 LIABLE FOR ENFORCEMENT OF THIS ACT; TO AUTHORIZE THE COMMISSION TO
24 REVOKE OR SUSPEND AN ASSOCIATION'S CERTIFICATION FOR FAILURE TO
25 COOPERATE WITH THE COMMISSION; TO AMEND SECTIONS 75-76-28 AND
26 75-76-33, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE
27 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

29 **SECTION 1.** Sections 1 through 20 of this act legalize
30 wagering on horse races under the form of mutuel wagering by
31 patrons known as "pari-mutuel wagering" to the extent that the
32 wagering is conducted strictly in conformity with Sections 1
33 through 20 of this act.

34 **SECTION 2.** The Mississippi Gaming Commission shall exercise
35 control over the provisions of Section 1 through 20 of this act.
36 As used in Sections 1 through 20 of this act, the term
37 "commission" means the Mississippi Gaming Commission.

38 **SECTION 3.** Pari-mutuel racing of horses shall only be
39 allowed in counties that have legalized gaming.

40 SECTION 4. (1) The commission shall carry out the
41 provisions of Sections 1 through 20 of this act, and it shall have
42 the following specific duties:

43 (a) To make rules governing the employment of all
44 persons connected with racetracks, including gatekeepers,
45 announcers, ushers, starters, officials, drivers, owners, agents,
46 trainers, jockeys, grooms, stable foremen, exercise boys,
47 veterinarians, valets, sellers of racing forms or bulletins, and
48 attendants in connection with the wagering machines;

49 (b) To make rules governing, permitting and regulating
50 the wagering on races under the form of mutuel wagering by patrons
51 known as "pari-mutuel wagering";

52 (c) To fix and set dates upon which race meetings may
53 be held or operated;

54 (d) To make an annual report to the Legislature,
55 showing its own actions and rulings, and receipts derived under
56 the provisions of this act, and such suggestions as it may deem
57 proper for the more effective accomplishment of the purposes of
58 this act;

59 (e) To require each applicant to set forth on the
60 application for authority to operate a race meeting the following
61 information:

62 (i) The full name of the person, association or
63 corporation, and if a corporation, the name of the state under
64 which it is incorporated, a certified copy of its charter and
65 bylaws, and the name of the corporation's agent for service of
66 process within the State of Mississippi;

67 (ii) If an association or corporation, the names
68 of the stockholders and directors of the corporation or the names
69 of the officers and directors of the association or of any person
70 having a financial interest in the corporation or association. It
71 is the intent of this requirement that the financial interests of

72 all natural persons be revealed and not be hidden behind a
73 corporate structure;

74 (iii) The exact location where the applicant
75 desires to conduct or hold a race meeting and a complete set of an
76 architect's renderings and detailed construction plans, showing
77 the site topography, the type of construction, the track design
78 and the concession plans;

79 (iv) Whether the racing track is owned or leased,
80 and if leased, the name and address of the owner, or if the owner
81 is a corporation, the names of the officers and directors thereof;

82 (v) The kind of racing to be conducted and the
83 dates upon which racing is requested to be conducted; and

84 (vi) Such other information as the commission may
85 require;

86 (f) To require an oath of every applicant, or of the
87 president or executive officer of the association or corporation,
88 stating that the information contained in the application is true;

89 (g) To make uniform rules and regulations governing the
90 operation of all racetracks, race meetings and races in the
91 county;

92 (h) To compel the production of any and all books,
93 memoranda or documents showing the receipts and disbursements of
94 any person, association or corporation authorized to conduct race
95 meetings under the provisions of this act;

96 (i) To require the removal of any employee or official
97 employed by any operator authorized hereunder whenever it has
98 reason to believe that such employee or official is guilty of any
99 improper practice in connection with racing or has failed to
100 comply with any rule adopted by the commission;

101 (j) To require that the books and financial or other
102 statements of any operator be kept in a manner and method
103 prescribed by the commission;

104 (k) To visit, investigate and place auditors and
105 inspectors in the offices, tracks or place of business of any
106 person, association or corporation operating under the
107 jurisdiction of the commission;

108 (1) To summon witnesses before its meetings, to
109 administer oaths to such witnesses and to require testimony on any
110 issue before it; and

111 (m) To employ such assistants and employees as may be
112 necessary and to prescribe their compensation and duties.

113 (2) Any person failing to appear before the commission, or
114 failing to produce books, records and documents ordered, or
115 refusing to testify thereon, shall be deemed guilty of a
116 misdemeanor, and upon conviction thereof, shall be punished by a
117 fine of not more than Five Hundred Dollars (\$500.00), or by
118 imprisonment not to exceed six (6) months, or by both.

119 (3) Nothing in Sections 1 through 20 of this act prevents
120 any person, association or corporation from applying to the
121 commission for a permit to conduct races at a location where the
122 racing track has not been constructed.

123 (4) (a) Each person authorized to operate a race meeting
124 pursuant to Sections 1 through 20 of this act and each owner or
125 lessor of a racing track under the jurisdiction of the commission
126 must be a bona fide resident of the State of Mississippi for a
127 period of not less than five (5) years immediately preceding the
128 date of application for such authority.

129 (b) Each director, officer, general partner, principal
130 or other individual having a substantial financial interest in a
131 corporation, partnership, limited partnership or other entity that
132 is authorized to operate a race meeting in accordance with
133 Sections 1 through 20 of this act, or is the owner or lessor of a
134 racing track under the jurisdiction of the commission, must be a
135 resident of the State of Mississippi for a period of not less than

136 five (5) years immediately preceding the date of application for
137 such authority.

138 (c) Each individual subject to the provisions of this
139 subsection must file with the commission a statement disclosing
140 economic interest and financial activities in such form and at
141 such times as may be required by the commission.

142 (5) The commission shall adopt a schedule of fees. In
143 addition to any fee or schedule of fees for employee permits,
144 premises license or other activity charged by the commission, the
145 commission shall require a fee from each applicant for a license
146 to operate a race meeting which will defray the initial expenses
147 of the commission. The fee shall be payable upon application and
148 periodically thereafter in an amount to be established by the
149 commission. Additional assessments may be made at any time on
150 order of the commission in order to fund the commission's
151 operations, including funds for the investigation of applicants.
152 In the event there is more than one (1) applicant or licensee, the
153 fees and assessments shall be apportioned in an equitable manner
154 among the licensees and applicants pursuant to rules adopted by
155 the commission.

156 All operations of the commission shall be funded by periodic
157 assessment of permit holders, license fees, permit fees and other
158 similar premises licenses. All funds derived from such fees shall
159 be deposited in a special account created in the State Treasury
160 entitled the "Mississippi Horse Racing Fees Fund."

161 **SECTION 5.** (1) The commission may not authorize the
162 operation of a racetrack or race meeting schedule for a period of
163 more than twelve (12) consecutive months by any one (1) entity.
164 The commission may not deny unreasonably the continued operation
165 of a horse racetrack or horse meeting without good cause.
166 Authority granted to any entity under this act is not transferable
167 to any other place, track or enclosure, except as may be specified
168 in the application.

169 (2) The commission may not authorize two (2) horse
170 racetracks or horse race meetings to operate on the same racing
171 days.

172 (3) The commission may suspend or revoke its authorization
173 to any person conducting a horse race meeting in violation of any
174 of the provisions of Sections 1 through 20 of this act, of any
175 statute or ordinance, or of any rule or regulation promulgated by
176 the commission, or it may invoke a civil penalty not to exceed One
177 Thousand Dollars (\$1,000.00) per offense in lieu thereof.

178 **SECTION 6.** The commission shall make rules regulating the
179 wagering on horse races under the form of mutuel wagering by
180 patrons known as "pari-mutuel wagering," which method is legal to
181 the extent that it is conducted strictly in conformity with
182 Sections 1 through 20 of this act. However, trifecta wagering
183 shall be prohibited. Only the persons, associations or
184 corporations specifically granted the requisite authority by the
185 commission have the right or privilege to conduct pari-mutuel
186 wagering. Such authorization shall restrict and confine this form
187 of wagering to a space within the horse race meeting grounds. All
188 other forms of wagering on the result of races are illegal, and
189 any wagering outside of the enclosure of such horse races is
190 illegal.

191 **SECTION 7.** The provisions of Sections 1 through 20 of this
192 act do not apply to the running of horse races wherein wagering is
193 not conducted, or to the running of horse races conducted by a
194 state fair association or county fair association that holds not
195 more than one (1) meeting annually and that restricts such annual
196 meeting to fourteen (14) days or less.

197 **SECTION 8.** (1) The authorized operator of a pari-mutuel
198 pool may take out seventeen percent (17%) of the total amount
199 contributed to the pari-mutuel pool for win, place and show
200 wagering and twenty-five percent (25%) on all other forms of
201 pari-mutuel wagering.

202 (2) From the funds taken out as authorized in subsection (1)
203 of this section, every entity conducting horse race meetings under
204 this act shall pay to the commission an amount equal to forty
205 percent (40%) of the total amount contributed to all wagering
206 pools conducted or made under Sections 1 through 20 of this act.
207 The remainder of the funds taken out as authorized in subsection
208 (1) of this section shall be divided as follows: thirty percent
209 (30%) for purses for horses; and thirty percent (30%) to the
210 authorized operator.

211 (3) After the deduction of the funds taken out as authorized
212 in subsection (1) of this section, the remainder of the total
213 contributions to each pool shall be divided among and
214 redistributed to the contributors to such pools betting on the
215 winning animals. The amount of each redistribution for each
216 winning bet placed shall be determined by dividing the total
217 amount remaining in the pool, after the deductions set forth in
218 subsections (1) and (2) of this section are made, by the number of
219 bets placed on the winning animal. Each redistribution shall be
220 made in a sum equal to the next lowest multiple of ten (10). The
221 operator may retain the odd cents on all redistributions to be
222 known as the "breaks to a dime." Under the pari-mutuel system of
223 wagering herein provided, the operator may provide separate pools
224 for bets to win, place and show, for daily double, and for
225 exactas. Each pool shall be redistributed separately as herein
226 provided. Should there be no ticket bet on the winning animal,
227 the entire pool shall be divided among the holders of tickets on
228 the animal running next in line until the pool has been
229 redistributed to the contributors. The operator must use a
230 totalizator machine or a machine or device having similar
231 functions and capabilities to record the wagering and compute the
232 odds. Rules and regulations governing the operation of each of
233 the pools shall be set out in book form by the commission.

234 **SECTION 9.** (1) All funds received by the commission under
235 the provisions of Sections 1 through 20 of this act, except fees
236 and assessments authorized in Section 4(5) of this act, shall be
237 paid into a special account created in the State Treasury entitled
238 the "Mississippi Horse Racing Operations Fund."

239 (2) All monies remaining after payment of the expenses
240 incurred in the administration of Sections 1 through 20 of this
241 act, including the payment of the salaries and expenses of the
242 members and employees of the commission, shall be distributed
243 monthly to the general fund of the county where such monies were
244 generated for a racetrack located in a county outside of any
245 municipal corporate limits. If the racetrack is located in a
246 municipality, the distribution shall be fifty percent (50%) to the
247 county general fund and fifty percent (50%) to the municipal
248 general fund.

249 (3) The funds shall be distributed periodically by order of
250 the commission.

251 **SECTION 10.** Any corporation, association or person who
252 directly or indirectly holds any race where wagering is permitted
253 otherwise than as prescribed in Sections 1 through 20 of this act
254 shall be guilty of a misdemeanor. Any person wagering upon the
255 results of such a race, except in the pari-mutuel method of
256 wagering when the same is conducted by an operator and upon the
257 grounds or enclosure of the operator under the jurisdiction of the
258 commission, shall be guilty of a misdemeanor. Any corporation,
259 organization, association or person who violates any provision of
260 Sections 1 through 20 of this act for which a penalty is not
261 expressly provided shall be guilty of a misdemeanor. Upon
262 conviction of any of the above misdemeanors, the penalty shall be
263 a fine of not less than One Hundred Dollars (\$100.00), nor more
264 than One Thousand Dollars (\$1,000.00), or by imprisonment of not
265 less than five (5) days nor more than six (6) months, or both.

266 **SECTION 11.** (1) Any person who engages in the practice of
267 gambling on races, or in the practice of making gambling or
268 wagering books on such races, or who knowingly takes any part in
269 such practices, is ineligible to operate a racetrack or a race
270 meeting under the provisions of Sections 1 through 20 of this act,
271 or to be connected therewith in any capacity.

272 (2) Any association or corporation which has as an officer,
273 director, stockholder, executive, or which employs any person who
274 engages in the practices set forth in subsection (1) of this
275 section is ineligible to operate a race meeting under the
276 provisions of Sections 1 through 20 of this act or to be connected
277 therewith in any capacity.

278 (3) The commission may inquire into such matters as set
279 forth in subsection (1) of this section in administering Sections
280 1 through 20 of this act.

281 **SECTION 12.** Any person who influences or has any
282 understanding or connivance with any owner, groom or other person
283 associated with or interested in any stable or horse, or race in
284 which any horse participates, to prearrange or predetermine the
285 results of any such race, or any person who shall stimulate or
286 depresses a horse for the purpose of affecting the results of a
287 race, shall be guilty of a felony and upon conviction thereof,
288 shall be imprisoned in the State Penitentiary for not less than
289 one (1) year nor more than ten (10) years, or shall be fined not
290 less than One Thousand Dollars (\$1,000.00) nor more than Five
291 Thousand Dollars (\$5,000.00), or both.

292 **SECTION 13.** It is unlawful for any person to transmit or
293 communicate to another by any means whatsoever the results,
294 changing odds, track conditions or any other information relating
295 to any race from any racetrack in the county, between the period
296 of time beginning one (1) hour before the first race of any day
297 and ending thirty (30) minutes after the posting of the official
298 results of each race, as to that particular race, except that this

299 period may be reduced to permit the transmitting of the results of
300 the last race each day not sooner than fifteen (15) minutes after
301 the official posting of such results. The commission, by rule,
302 may permit the immediate transmission by radio, television or
303 press wire of any pertinent information concerning feature races.

304 It is unlawful for any person to transmit by any means
305 whatsoever racing information to any other person, or to relay the
306 same to any other person by word of mouth, by signal, or by use of
307 telephone, telegraph, radio or any other means, when the
308 information is knowingly used or intended to be used for illegal
309 gambling purposes, or in the furtherance of such gambling
310 purposes.

311 Any person violating the provisions of this section is guilty
312 of a felony and, upon conviction thereof, shall be imprisoned in
313 the State Penitentiary for not less than one (1) year nor more
314 than ten (10) years, or shall be fined not less than One Thousand
315 Dollars (\$1,000.00) nor more than Five Thousand Dollars
316 (\$5,000.00), or both.

317 **SECTION 14.** It is unlawful for any person to purchase
318 directly or indirectly pari-mutuel tickets or participate in the
319 purchase of any part of a pari-mutuel pool for another for hire or
320 for any gratuity. It is unlawful for any person to purchase any
321 part of a pari-mutuel pool through another, wherein he gives or
322 pays directly or indirectly to such other person anything of
323 value. Any person violating this section is guilty of a
324 misdemeanor and, upon conviction thereof, shall be punished by a
325 fine of not more than Five Hundred Dollars (\$500.00), or by
326 imprisonment not to exceed six (6) months, or both.

327 **SECTION 15.** Persons under twenty-one (21) years of age may
328 not be permitted to wager on races and persons under eighteen (18)
329 years of age may not enter the viewing section unless accompanied
330 by a parent or guardian.

331 **SECTION 16.** The calculation of wagering is limited to
332 commission approved state-of-the-art computational equipment. The
333 commission must approve the information printed on each
334 pari-mutuel ticket.

335 **SECTION 17.** An adequate security force shall be employed as
336 prescribed by the commission. Members of security forces have the
337 same powers as other law enforcement officers of the county while
338 performing their duties on the premises of the racetrack.

339 **SECTION 18.** (1) The commission may adopt rules prohibiting
340 the illegal influencing of the outcome of a race, including the
341 use of medication, stimulants or depressants to influence the
342 outcome of the race. The commission may require prerace and
343 postrace drug testing as needed to determine whether a drug has
344 been administered. Detection of prohibited drugs or chemicals
345 shall result in the immediate disqualification of the animal and
346 the suspension of all persons involved. Responsibility for the
347 protection of the animal from illegal drugging is placed on the
348 trainer of each animal. A drug test also may be required by the
349 owner or trainer of an animal or by the association at whose
350 racetrack the animal is entered in a race meeting. Knowing
351 violations of this section shall result in the barring of the
352 person or persons from receiving a license under this act or from
353 participating in any legalized pari-mutuel wagering or horse
354 racing authorized by Sections 1 through 20 of this act, for a
355 period set by the commission or for life.

356 (2) A licensee may conduct any other lawful business on the
357 licensee's premises.

358 **SECTION 19.** A member of the commission, an employee of the
359 commission, a steward or judge, an association, or any other
360 person regulated under Sections 1 through 20 of this act is not
361 liable to any individual, corporation, business association or
362 other entity for a cause of action that arises out of that
363 person's performance or exercise of discretion in the

364 implementation or enforcement of Sections 1 through 20 of this act
365 or a rule adopted under Sections 1 through 20 of this act if the
366 person has acted in good faith.

367 **SECTION 20.** If an operator or racing association refuses to
368 cooperate with the commission or other state agency regarding
369 access to its books and records, or if it becomes delinquent in
370 turning over the state's portion of the pools, the commission
371 immediately shall call a hearing to revoke or suspend the
372 association's certification or take other appropriate action as
373 deemed necessary by the commission.

374 **SECTION 21.** Section 75-76-28, Mississippi Code of 1972, is
375 amended as follows:

376 75-76-28. The commission has full power and authority to
377 exercise any of the powers, duties and responsibilities set forth
378 in Sections 97-33-51 through 97-33-81, 97-33-101 through
379 97-33-109, 97-33-201 and 97-33-203 and Sections 1 through 20 of
380 House Bill No. 1275, 2005 Regular Session.

381 **SECTION 22.** Section 75-76-33, Mississippi Code of 1972, is
382 amended as follows:

383 75-76-33. (1) The commission shall, from time to time,
384 adopt, amend or repeal such regulations, consistent with the
385 policy, objects and purposes of this chapter, as it may deem
386 necessary or desirable in the public interest in carrying out the
387 policy and provisions of this chapter.

388 (2) These regulations shall, without limiting the general
389 powers herein conferred, include the following:

390 (a) Prescribing the method and form of application
391 which any applicant for a license or for a manufacturer's,
392 seller's or distributor's license must follow and complete before
393 consideration of his application by the executive director or the
394 commission.

395 (b) Prescribing the information to be furnished by any
396 applicant or licensee concerning his antecedents, habits,

397 character, associates, criminal record, business activities and
398 financial affairs, past or present.

399 (c) Prescribing the information to be furnished by a
400 licensee relating to his employees.

401 (d) Requiring fingerprinting of an applicant or
402 licensee, and gaming employees of a licensee, or other methods of
403 identification and the forwarding of all fingerprints taken
404 pursuant to regulation of the Federal Bureau of Investigation.

405 (e) Prescribing the manner and procedure of all
406 hearings conducted by the commission or any hearing examiner of
407 the commission, including special rules of evidence applicable
408 thereto and notices thereof.

409 (f) Requiring any applicant to pay all or any part of
410 the fees and costs of investigation of such applicant as may be
411 determined by the commission, except that no applicant for an
412 initial license shall be required to pay any part of the fees or
413 costs of the investigation of the applicant with regard to the
414 initial license.

415 (g) Prescribing the manner and method of collection and
416 payment of fees and issuance of licenses.

417 (h) Prescribing under what conditions a licensee may
418 be deemed subject to revocation or suspension of his license.

419 (i) Requiring any applicant or licensee to waive any
420 privilege with respect to any testimony at any hearing or meeting
421 of the commission, except any privilege afforded by the
422 Constitution of the United States or this state.

423 (j) Defining and limiting the area, games and devices
424 permitted, and the method of operation of such games and devices,
425 for the purposes of this chapter.

426 (k) Prescribing under what conditions the nonpayment of
427 a gambling debt by a licensee shall be deemed grounds for
428 revocation or suspension of his license.

429 (1) Governing the use and approval of gambling devices
430 and equipment.

431 (m) Prescribing the qualifications of, and the
432 conditions under which, attorneys, accountants and others are
433 permitted to practice before the commission.

434 (n) Restricting access to confidential information
435 obtained under this chapter and ensuring that the confidentiality
436 of such information is maintained and protected.

437 (o) Prescribing the manner and procedure by which the
438 executive director on behalf of the commission shall notify a
439 county or a municipality wherein an applicant for a license
440 desires to locate.

441 (p) Prescribing the manner and procedure for an
442 objection to be filed with the commission and the executive
443 director by a county or municipality wherein an applicant for a
444 license desires to locate.

445 (3) Notwithstanding any other provision of law, each
446 licensee shall be required to comply with the following
447 regulations:

448 (a) No wagering shall be allowed on the outcome of any
449 athletic event, nor on any matter to be determined during an
450 athletic event, nor on the outcome of any event which does not
451 take place on the premises.

452 (b) No wager may be placed by, or on behalf of, any
453 individual or entity or group, not present on a licensed vessel or
454 cruise vessel.

455 (4) The commission is authorized to promulgate rules and
456 regulations necessary to carry out the provisions of Sections 1
457 through 20 of House Bill No. 457, 2005 Regular Session.

458 **SECTION 23.** This act shall take effect and be in force from
459 and after July 1, 2005.