

**REPORT OF THE  
JOINT SUBCOMMITTEE STUDYING**

**Provisions of the  
Code of Virginia  
Relating to Horse Racing  
and Pari-Mutuel Wagering  
in the Commonwealth**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 46**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1991**

## MEMBERS OF THE JOINT SUBCOMMITTEE

The Honorable Raymond R. Guest, Jr., *Chairman*  
The Honorable Johnny S. Joannou, *Vice Chairman*  
The Honorable Mary T. Christian  
The Honorable Glenn B. McClanan  
The Honorable Benjamin J. Lambert III  
Mr. John H. Shenefield, *Chairman of the Virginia Racing Commission*

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**Report of the Joint Subcommittee  
Studying the Provisions of the Code of Virginia Relating to  
Horse Racing and Pari-Mutuel Wagering  
in the Commonwealth**

**To  
The Governor and the General Assembly of Virginia**

Richmond, Virginia  
January 1991

TO: The Honorable L. Douglas Wilder, Governor of Virginia,  
and  
The General Assembly of Virginia

## **I. EXECUTIVE SUMMARY**

### **A. Study Authority and Scope**

House Joint Resolution No. 178, agreed to during the 1990 Session of the General Assembly (Appendix A), established a joint subcommittee to study the statutory provisions in the Code of Virginia pertaining to horse racing and pari-mutuel wagering in the Commonwealth and to determine whether any revisions in the Code were desirable. Statutory provisions relating to horse racing and pari-mutuel wagering are found in §§ 59.1-364 through 59.1-405, Chapter 29 of Title 59.1 of the Code of Virginia.

The resolution stated that Chapter 29 was enacted by the 1988 General Assembly to provide for horse racing with pari-mutuel wagering in the Commonwealth for the promotion, sustenance, and growth of a native industry in a manner consistent with the health, safety, and welfare of the people. The chapter became effective on January 1, 1989, after the approval of a referendum on the subject in the general election of November 1988. The Virginia Racing Commission is operative, has hired an Executive Director and staff, and has promulgated regulations.

In addition, the resolution asserted that, in the view of some members in Virginia's horse-breeding industry, the current structure of Chapter 29 may not be conducive to the economic viability of horse racing and pari-mutuel wagering in the Commonwealth.

The subcommittee consisted of six members. The Speaker of the House appointed two members from the House Committee on General Laws and one member from the House of Delegates at large. The Senate Committee on Privileges and Elections appointed one member from the Senate Committee on General Laws and one member from the Senate at-large. The Chairman of the Virginia Racing Commission was also directed by the resolution to serve on the subcommittee.

## **B. Background**

Chapter 19 of Title 59.1 was passed during the 1978 Session of the General Assembly and made subject to a referendum held November 7, 1978 (Chapter 600 of the 1978 Acts of Assembly). If approved, the legislation authorizing the establishment of horse racing and pari-mutuel wagering in Virginia would have become effective on January 1, 1979. However, the legislation was defeated at the referendum and never went into effect.

There have been no reports or documents of a legislative study regarding horse racing and pari-mutuel wagering conducted in Virginia during the past twenty years. Numerous study subcommittees, however, were established during the 1980's pertaining to horses. They are as follows:

- ◆ Horse breeder incentive and recognition programs; SJR 58 (1980)
- ◆ Establishment of a horse center, study to be conducted by joint legislative subcommittee; HJR 48 (1980); HD 18 (1981)
- ◆ Continuation of the horse center study; HJR 307 (1981); HD 17 (1982); HD 45 (1984)
- ◆ Establishment of a horse center, study to be conducted by the Department of Agriculture and Consumer Services; SJR 24 (1982); SD 18 (1984)
- ◆ Continuation of the study on the establishment of a Virginia Horse Center study by the legislative subcommittee; HJR 64 (1984).

As noted above, not all of these study subcommittees reported their findings. The Virginia Horse Center was established and is currently located in Lexington, Virginia.

In 1988, legislation was introduced providing for horse racing and pari-mutuel wagering in the Commonwealth. The 1988 legislation was contingent on approval by the voters at the general election. The voters approved the referendum and the election results were certified on November 28, 1988. Chapter 29 of Title 59.1, composed of §§ 59.1-364 through 59.1-405, relating to horse racing and pari-mutuel wagering became effective on January 1, 1989 (Chapter 145 of the 1989 Acts of Assembly).

### **C. Issues Before The Subcommittee**

The two primary issues addressed by the subcommittee were:

- (i) Simulcasting -- the ability to wager on major out-of-state races (such as the Kentucky Derby or the Breeders Cup) at a Virginia track as well as the ability to wager on in-state races at one or more Virginia tracks; and
- (ii) Satellite wagering (sometimes referred to as off-track betting) -- legal wagering at a location other than the track where races are being held.

Additionally, the subcommittee addressed various housekeeping and policy considerations related to the two primary issues identified above. Because there was a significant degree of interplay between all of the issues that the subcommittee addressed, no specific issue could be, or was, viewed in isolation.

## **II. WORK OF THE SUBCOMMITTEE**

The subcommittee met four times during 1990 to consider its charge under House Joint Resolution 178. In addition to its initial organizational meeting at which testimony was heard, the subcommittee conducted a public hearing as well as a fact-finding mission to Arlington Park, Illinois, an international horse racing facility and its satellite facilities located in the Chicago area. The work of the subcommittee culminated in a final work session at which recommendations for legislation were formulated and put to a vote. The recommendations of the subcommittee for revision to Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 are discussed later in this report.

### **A. Study Participants**

The subcommittee received materials and testimony on the issues from a wide variety of persons and groups at its meetings, including the Virginia Racing Commission, the Virginia State Police, the Virginia Racing Coalition, and Virginians for Integrity in Government.

### **B. Testimony**

Testimony indicated that the economic environment in which horse racing facilities do business has undergone radical changes in the past twenty years with the competition for the leisure dollar from such rivals

as casino resorts and cruise ships, televised sports events, inexpensive air travel, and theme parks. The result has been to jeopardize the fundamental economics of horse racing tracks, particularly those in a virgin market such as Virginia. Development of new retail techniques and new sources of revenue, the most effective of which are the simulcasting of races from tracks both within and outside of Virginia and the creation of satellite wagering facilities, has been viewed as essential. In many states today, satellite wagering facilities are absolutely essential for continued profitability of live horse racing for the following reasons:

- ◆ Satellite facilities extend the geographic and demographic reach of pari-mutuel businesses to areas and segments of the population not served by the tracks, pursuant, of course, to the appropriate regulation imposed by the state.
- ◆ Only densely populated areas containing substantial personal income levels can support the large capital investment and operating costs of live tracks. Virginia probably can support no more than one, or possibly two, live tracks. Satellite facilities, which are far less expensive to build and operate, can be supported by much less densely populated areas, so that horse racing entertainment can be presented throughout the Commonwealth.
- ◆ Without the added revenues from satellite facilities, Virginia tracks will be at a serious competitive disadvantage with respect to the horse racing industries in neighboring states that have such facilities (Maryland, Delaware, West Virginia, and Kentucky).
- ◆ Revenues from satellite facilities increase overall racing industry revenues, not just the purses. The increased revenues will benefit the agricultural industry in Virginia, as well as providing job opportunities and a general economic benefit to the communities where the satellite facilities are located.
- ◆ The concern that potential investors have reservations about the ability of a first-class racetrack to succeed in Virginia without satellite wagering. Given the enormous cost involved in building a first-class racetrack, the need to take the sport of horse racing to fans in all regions of the state has become abundantly clear. Without satellite wagering, there is no guarantee that Virginia will ever have the top quality racetrack that Virginians expect and deserve.

The subcommittee heard testimony from opponents of pari-mutuel wagering that the language of the 1988 referendum did not include satellite wagering facilities. A concern was also expressed that "organized crime follows legalized gambling" although no statistical data was submitted.

### **C. Deliberations**

Integral in the subcommittee's examination of the issues mentioned above were the following policy considerations: ownership of the satellite facilities, the duration of the racing season, and the allowance for the simulcast of special racing events. It was the consensus of the subcommittee that ownership of the satellite facilities should be linked to the ownership of the track itself, with an opportunity for local, private participation in the ownership of the satellite facility. The satellite facility is an extension of the track, and common ownership of both, the subcommittee agreed, would be in the best interest of the horse racing industry and the citizens of the Commonwealth. The issues of the duration of a Virginia racing season and the allowance for simulcasting special racing events (*e.g.*, the Kentucky Derby, the Breeders Cup) were interrelated to the extent the latter was dependent on the former. Inherent in the subcommittee's deliberations was the commitment to the promotion, sustenance and growth of a native industry in a manner consistent with the health, safety and welfare of Virginia citizens -- the charge of House Joint Resolution 178. The subcommittee, therefore, rejected any avenue leading to, or perceived as, year-round gambling. It was anticipated that the Virginia racing season would be approximately eight months with provision for the up to twenty-five special racing events when the Virginia season is over. It was decided that the special racing events would be subject to the approval of the Virginia Racing Commission.

### **D. Recommendations**

The subcommittee recommends that legislation be enacted which authorizes the establishment of, and provides for, the regulation of satellite facilities and the simulcasting of horse races in the Commonwealth. The subcommittee based its recommendation on the testimony it received and the belief that the citizens of Virginia voted in favor of the fundamental principal of pari-mutuel wagering in the 1988 referendum. A copy of the subcommittee's legislative proposal to amend Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 is attached to this report as Appendix B.



### III. CONCLUSION

The members of the subcommittee established pursuant to House Joint Resolution 178 believe that its study of horse racing and pari-mutuel wagering in the Commonwealth was insightful, worthwhile, and necessary for the promotion, sustenance, and growth of a native industry. The subcommittee received materials and heard testimony from a great number of groups and individuals, and the process educated all involved. The subcommittee would like to express its gratitude to all participants for their work and dedication.

Respectfully submitted,

Raymond R. Guest, Jr., Chairman

Johnny S. Joannou, Vice Chairman

\*Mary T. Christian

Benjamin J. Lambert III

John H. Shenefield

*\*Dissent from legislative recommendations.*

#### **IV. DISSENT OF DELEGATE GLENN B. MCCLANAN**

The majority recommends that legislation be passed during the 1991 Session of the Virginia General Assembly that would permit wagering on horse races at locations other than the tracks where the races are being held by simulcasting and satellite wagering. The passage of such legislation, at this time, would be premature.

First, no simulcasting or satellite wagering facility should exist in any county or city until the voters of that locality have indicated their approval by an affirmative vote of the majority of those voting in a referendum on that subject.

Secondly, under the proposed legislation, the first investment group receiving a license from the Virginia Racing Commission would have a monopoly on the ownership and operation of all the off-track betting facilities in Virginia, in addition to the track itself, for the foreseeable future. Opportunities for diversity of ownership must be expanded.

In addition, the Joint Subcommittee has done no study of the various taxing options used by the other states to assure that the host communities, in Virginia, of either the satellite facilities, or the track itself, will receive maximum tax revenue consistent with fairness to the licensee.

Respectfully submitted,

Glenn B. McClanan

## **V. APPENDICES**

- A. House Joint Resolution 178
- B. Draft Legislation to Amend Chapter 29  
(§ 59.1-364 et seq.) of Title 59.1

## **Appendix A**

**House Joint Resolution No. 178**

**GENERAL ASSEMBLY OF VIRGINIA--1990 SESSION**  
**HOUSE JOINT RESOLUTION NO. 178**

*Establishing a joint subcommittee to study provisions of the Code of Virginia relating to horse racing and pari-mutuel wagering in the Commonwealth.*

Agreed to by the House of Delegates, February 13, 1990  
Agreed to by the Senate, March 7, 1990

WHEREAS, the 1988 General Assembly of Virginia enacted Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 of the Code of Virginia to provide for horse racing with pari-mutuel wagering in the Commonwealth for the promotion, sustenance, and growth of a native industry, in a manner consistent with the health, safety, and welfare of the people; and

WHEREAS, the people of Virginia approved a referendum in the general election of November 1988, to make this enactment effective on January 1, 1989; and

WHEREAS, the Governor has appointed the five members of the Virginia Racing Commission, and the Commission has hired an Executive Director and staff; and

WHEREAS, the Virginia Racing Commission has proposed regulations which are in the final steps of adoption under the Administrative Process Act, establishing the application process for licensure of horse racing and pari-mutuel wagering facilities in the Commonwealth; and

WHEREAS, the registered voters of numerous Virginia localities have approved local referenda to permit pari-mutuel wagering in their communities; and

WHEREAS, in the view of some in Virginia's horse-breeding industry, the current structure of Chapter 29 of Title 59.1 of the Code of Virginia may not be conducive to the economic viability of horse racing and pari-mutuel wagering in the Commonwealth; now, therefore, be it

**RESOLVED** by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 and the other provisions of the Code of Virginia relating to horse racing and pari-mutuel wagering to determine whether any revisions to the Code of Virginia are desirable.

The joint subcommittee shall be composed of six members to be appointed as follows: two members from the House Committee on General Laws and one member from the House of Delegates at-large to be appointed by the Speaker of the House; one member from the Senate Committee on General Laws and one member from the Senate at-large to be appointed by the Senate Committee on Privileges and Elections; and the Chairman of the Virginia Racing Commission.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1991 Session of the General Assembly pursuant to the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of this study are estimated to be \$10,860; the direct costs of this study shall not exceed \$4,320.

## **Appendix B**

**Draft Legislation to Amend Chapter 29  
(§ 59.1-364 et seq.) of Title 59.1**

### **NOTE:**

**Although the attached legislation was recommended by the joint subcommittee, it was not introduced in the 1991 Session. Legislation authorizing only the simulcasting of horse races was introduced in place of the recommended draft.**

1 D 11/13/90 Everett C 11/15/90 ljl

2 RDF 11/19/90 Everett C 1/9/91 smw

3 SENATE BILL NO. .... HOUSE BILL NO. ....

4 A BILL to amend and reenact §§ 4-37, 18.2-334.4, 59.1-364, 59.1-365,  
5 59.1-368, 59.1-369, 59.1-371, 59.1-375, 59.1-376, 59.1-377,  
6 59.1-378, 59.1-380, 59.1-381, 59.1-382, 59.1-383, 59.1-385,  
7 59.1-387, 59.1-389, 59.1-390, 59.1-391, 59.1-392, 59.1-393,  
8 59.1-396, and 59.1-405 of the Code of Virginia, to amend the Code  
9 of Virginia by adding a section numbered 58.1-3732.1, and to  
10 repeal § 59.1-404 of the Code of Virginia, relating to horse  
11 racing with pari-mutuel wagering; penalties.

12

13 Be it enacted by the General Assembly of Virginia:

14 1. That §§ 4-37, 18.2-334.4, 59.1-364, 59.1-365, 59.1-368, 59.1-369,  
15 59.1-371, 59.1-375, 59.1-376, 59.1-377, 59.1-378, 59.1-380, 59.1-381,  
16 59.1-382, 59.1-383, 59.1-385, 59.1-387, 59.1-389, 59.1-390, 59.1-391,  
17 59.1-392, 59.1-393, 59.1-396, and 59.1-405 of the Code of Virginia are  
18 amended and reenacted and that the Code of Virginia is amended by  
19 adding a section numbered 58.1-3732.1 as follows:

20 § 4-37. Suspension or revocation of licenses; monetary  
21 penalties.-- A. Grounds for suspension or revocation. - The Board may  
22 suspend or revoke any licenses issued by it other than a brewery  
23 license, in which case the Board may impose penalties as provided in  
24 subsection C of this section, if it has reasonable cause to  
25 believe:

26 ~~(1)~~-1. That the licensee, or if the licensee is a partnership  
27 or association, any partner or member thereof, or if the licensee is a  
28 corporation, any officer, director, or manager thereof or shareholder  
29 owning ten percent or more of its capital stock:

1       ~~(a)~~-a. Has misrepresented a material fact in applying to the  
2 Board for such license.

3       ~~(b)~~-b. Within the five years next preceding the date of the  
4 hearing, has been convicted of a violation of any law, ordinance, or  
5 regulation of this Commonwealth, or of any state, or of the United  
6 States of America, or of any county, city, or town in this  
7 Commonwealth, applicable to the manufacture, transportation,  
8 possession, use, or sale of alcoholic beverages, or has violated any  
9 provision of this chapter or Chapter 2 (§ 4-99 et seq.) of this title,  
10 or has committed a violation in bad faith of Chapter 2.1 (§ 4-118.3 et  
11 seq.) or Chapter 2.2 (§ 4-118.21 et seq.) of this title, or has  
12 violated or failed or refused to comply with any regulation, rule, or  
13 order of the Board, or has failed or refused to comply with any of the  
14 conditions or restrictions of the license issued by the Board.

15       ~~(e)~~-c. Has been convicted of a felony or of any crime or  
16 offense involving moral turpitude in any court.

17       ~~(d)~~-d. Is not the legitimate owner of the business conducted  
18 under the license issued by the Board, or other persons have ownership  
19 interests in the business which have not been disclosed.

20       ~~(e)~~-e. Has become insolvent or cannot demonstrate financial  
21 responsibility sufficient to meet adequately the requirements of the  
22 business conducted under license issued by the Board.

23       ~~(f)~~-f. Has been intoxicated, as defined in this chapter, or  
24 under the influence of some self-administered drug, while upon the  
25 licensed premises.

26       ~~(g)~~-g. Has allowed noisy, lewd, or disorderly conduct upon the  
27 licensed premises, or has maintained such premises in an unsanitary  
28 condition, or allowed such premises to become a meeting place or



1 rendezvous for persons of ill repute, or has allowed any form of  
2 illegal gambling to take place upon such premises.

3 ~~(h)~~-h. Knowingly employs in the business conducted under such  
4 license, as agent, servant, or employee, any person who has been  
5 convicted of a felony or of any crime or offense involving moral  
6 turpitude in any court, or who has violated the laws of this  
7 Commonwealth, or of any other state, or of the United States of  
8 America, applicable to the manufacture, transportation, possession,  
9 use or sale of alcoholic beverages.

10 ~~(i)~~-i. Has demonstrated by his police record subsequent to the  
11 issuance of his original license a lack of respect for law and order.

12 ~~(j)~~-j. Has allowed the consumption of alcoholic beverages upon  
13 the licensed premises by any person whom he knew or had reason to  
14 believe was ~~(1)~~-(i) less than twenty-one years of age, except as to  
15 beer in which case the age shall be as specified in § 4-62, or ~~(2)~~-  
16 (ii) interdicted, or ~~(3)~~-(iii) intoxicated, or has allowed any person  
17 whom he knew or had reason to believe was intoxicated to loiter upon  
18 such licensed premises, or has allowed the consumption of beverages,  
19 as defined in Chapter 2 (§ 4-99 et seq.) of this title, by any person  
20 whom he knew or had reason to believe was ~~(1)~~-(i) less than  
21 twenty-one years of age as specified in § 4-112 or had not attained  
22 the age of nineteen years by July 1, 1985, or ~~(2)~~-(ii) intoxicated.

23 ~~(k)~~-k. Has allowed any person to consume upon the licensed  
24 premises any alcoholic beverages except as provided under this  
25 chapter.

26 ~~(l)~~-l. Is physically unable to carry on the business conducted  
27 under such license or has been adjudicated incompetent.

28 ~~(m)~~-m. Has allowed any lewd, obscene or indecent literature,

1 pictures or materials upon the licensed premises.

2 {n}-n. Has possessed any illegal gambling apparatus, machine or  
3 device upon the licensed premises.

4 {e}-o. Has illegally possessed, distributed, sold or used, or  
5 has knowingly allowed any employee or agent, or any other person, to  
6 illegally possess, distribute, sell or use marijuana or controlled  
7 substances as those terms are defined in Article 1 (§ 18.2-247 et  
8 seq.) of Chapter 7 of Title 18.2 upon the licensed premises.

9 {2}-2. That the place occupied by the licensee:

10 {a}-a. Does not conform to the requirements of the governing  
11 body of the county, city, or town in which such place is located, with  
12 respect to sanitation, health, construction, or equipment, or to any  
13 similar requirements established by the laws of this Commonwealth or  
14 by the regulations of the Board.

15 {b}-b. Has been adjudicated a common nuisance under the  
16 provisions of this chapter.

17 {e}-c. Has become a meeting place or rendezvous for users of  
18 narcotics, drunks, homosexuals, prostitutes, pimps, panderers,  
19 gamblers, or habitual law violators. The Board may consider the  
20 general reputation in the community of such place in addition to any  
21 other competent evidence in making such determination. A place at  
22 which pari-mutuel wagering is licensed under the provisions of Chapter  
23 29 (§ 59.1-364 et seq.) of Title 59.1 shall not be subject to the  
24 provisions of this section solely on the basis of being a meeting  
25 place for gamblers.

26 For the purposes of this section, "premises" or "place" shall  
27 mean the real estate, together with any buildings or other  
28 improvements thereon, designated in the application for a license as

1 the place at which the manufacture, bottling, distribution, use or  
2 sale of alcoholic beverages shall be performed, except that portion  
3 any such building or other improvement actually and exclusively used  
4 as a private residence as defined in § 4-2.

5 ~~(3)~~-3. That any cause exists for which the Board would have  
6 been entitled to refuse to issue such license had the facts been  
7 known; and the Board may likewise suspend or revoke any license for  
8 any other cause designated by this chapter.

9 ~~(4)~~-4. That the licensee or any employee of the licensee  
10 discriminated against any member of the armed forces of the United  
11 States by prices charged or otherwise.

12 B. Notice and hearing. - Before the Board may impose a monetary  
13 penalty against the holder of a brewery license or suspend or revoke  
14 any license issued under the provisions of this chapter except  
15 temporary licenses authorized in § 4-34, reasonable notice of such  
16 proposed or contemplated action by the Board shall be given to the  
17 licensee affected. Such notice shall be in accordance with the  
18 provisions of § 9-6.14:12 of the Administrative Process Act.

19 ~~C--{Repealed--}~~

20 ~~C~~1--C. Payment of costs or monetary penalties. - The Board in  
21 suspending any license may impose, as a condition precedent to the  
22 removal of such suspension or any portion thereof, a requirement that  
23 the licensee pay the cost incurred by the Board in investigating the  
24 licensee and in holding the proceeding resulting in such suspension,  
25 or it may impose a monetary penalty not to exceed \$1,000 for the first  
26 offense, a monetary penalty not to exceed \$2,500 for the second  
27 offense, a monetary penalty not to exceed \$5,000 for the third offer  
28 in lieu of such suspension or any portion thereof, or both after the

1 enactment hereof.

2 In case of an offense by the holder of a brewery license, the  
3 Board may require that the holder of such brewery license pay the  
4 costs incurred by the Board in investigating the licensee, and for the  
5 first offense may impose a monetary penalty not to exceed \$25,000, for  
6 the second offense a monetary penalty not to exceed \$50,000 and for  
7 the third or any subsequent offense may suspend or revoke such license  
8 or in lieu of any suspension or portion thereof impose a monetary  
9 penalty not to exceed \$100,000. Such suspension or revocation shall  
10 not prohibit the licensee from the manufacture of beer or selling beer  
11 manufactured by it to the owners of boats registered under the laws of  
12 the United States sailing for ports of call of a foreign country or  
13 another state, and to persons outside of Virginia.

14 ~~C2~~---D. Offers in compromise. - Following notice to the  
15 licensee of a hearing which may result in the suspension or revocation  
16 of his license, the Board in its discretion may accept from the  
17 licensee an offer in compromise to pay a monetary penalty not  
18 exceeding \$5,000, either in lieu of suspension or in addition thereto,  
19 or in lieu of revocation.

20 ~~D~~---E. Review. - The action of the Board in suspending or  
21 revoking any license or in imposing a monetary penalty against the  
22 holder of a brewery license pursuant to the provisions of this chapter  
23 shall be subject to judicial review in accordance with the provisions  
24 of the Administrative Process Act (§ 9-6.14:1 et seq.). Upon judicial  
25 review of a suspension or revocation or imposition of such monetary  
26 penalty such review or appeal shall extend to the entire evidential  
27 record of the proceedings provided by the agency in accordance with  
28 the Administrative Process Act (§ 9-6.14:1 et seq.). The jurisdiction

1 of the circuit court, in any case involving such petition, shall  
2 extend to the entire record of the proceedings before the Board in  
3 accordance with the Administrative Process Act. An appeal shall lie to  
4 the Court of Appeals from any order of the court. Notwithstanding §  
5 8.01-676.1, the final judgment or order of the circuit court shall not  
6 be suspended, stayed, or modified by such circuit court pending appeal  
7 to the Court of Appeals. Neither mandamus nor injunction shall lie in  
8 any such case.

9 E--F. Disposition of beverages on hand. - Alcoholic beverages,  
10 other than beer and wine, owned and in possession, or owned or in  
11 possession, for sale, by or of any licensee at the time the license of  
12 any such person is suspended or revoked as herein provided: (i) may be  
13 sold by such person to the Board at such price or prices and upon such  
14 terms as may be agreed upon by the Board and such person, or (ii) may  
15 upon permits issued by the Board and upon such conditions as the Board  
16 may specify, be sold to persons in Virginia licensed to sell such  
17 alcoholic beverages, or (iii) may, upon permits issued by the Board,  
18 be sold to persons outside of Virginia for resale outside of Virginia,  
19 except that no deliveries or shipments shall be made into any state  
20 the laws of which prohibit the consignee from receiving or selling the  
21 same.

22 Beer and wine owned and in possession, or owned or in possession,  
23 for sale, by or of any licensee at the time the license of such person  
24 is suspended or revoked as provided herein, may upon permits of the  
25 Board and upon payment of any excise tax due thereon be sold to any  
26 person authorized to purchase the same for resale.

27 Alcoholic beverages owned and in possession or owned or in  
28 possession, for sale, by or of persons whose licenses have been

1 terminated otherwise than by suspension or revocation may dispose of  
2 the same in accordance with the foregoing provisions of this section  
3 within such time as the Board, in its discretion, may deem proper  
4 under the circumstances. Such period shall not be less than sixty  
5 days.

6 All such alcoholic beverages owned by or in possession of any  
7 person whose license is suspended or revoked, as provided herein,  
8 shall be disposed of by such person in accordance with the provisions  
9 of this section within a period of sixty days from the date of such  
10 suspension or revocation. All such alcoholic beverages owned by or in  
11 possession of any person whose license is terminated otherwise than by  
12 suspension or revocation shall be disposed of by such person in  
13 accordance with the provisions of this section within the period  
14 allowed by the Board. All such alcoholic beverages owned by or  
15 remaining in the possession of any such person after the expiration of  
16 such period shall be deemed contraband and forfeited to the  
17 Commonwealth in accordance with the provisions of § 4-55.

18 § 18.2-334.4. Exemptions to article; pari-mutuel  
19 wagering.--Nothing in this article shall be construed to make it  
20 illegal to participate in any race meeting or pari-mutuel wagering  
21 conducted in accordance with Chapter ~~28-29~~ ( ~~§-59.1-353~~-§ 59.1-364  
22 et seq.) of Title 59.1.

23 § 58.1-3732.1. Limitation on gross receipts; pari-mutuel  
24 wagering.--Gross receipts for license tax purposes under Chapter 37 (§  
25 58.1-3700 et seq.) of Title 58.1 shall not include the license and  
26 admission taxes established under §§ 59.1-392 and 59.1-393,  
27 respectively, nor shall it include pari-mutuel wagering pools as  
28 established under § 59.1-392.

1           § 59.1-364. Control of racing with pari-mutuel wagering.--A.  
2 Horse racing with pari-mutuel wagering as licensed herein shall be  
3 permitted in the Commonwealth for the promotion, sustenance and growth  
4 of a native industry, in a manner consistent with the health, safety  
5 and welfare of the people. The Virginia Racing Commission is vested  
6 with control of all horse racing with pari-mutuel wagering in the  
7 Commonwealth, with plenary power to prescribe regulations and  
8 conditions under which such racing and wagering shall be conducted, so  
9 as to maintain horse racing in the Commonwealth of the highest quality  
10 and free of any corrupt, incompetent, dishonest or unprincipled  
11 practices and to maintain in such racing complete honesty and  
12 integrity. The Virginia Racing Commission shall encourage  
13 participation by local individuals and businesses in those activities  
14 associated with horse racing.

15           B. The conduct of any horse racing with pari-mutuel wagering  
16 participation in such racing or wagering and entrance to any place  
17 where such racing or wagering is conducted is a privilege which may be  
18 granted or denied by the Commission or its duly authorized  
19 representatives in its discretion in order to effectuate the purposes  
20 set forth in this chapter.

21           § 59.1-365. Definitions.--Unless another meaning is required by  
22 the context, the following words shall have the meanings prescribed by  
23 this section:

24           "Breakage" means the odd cents by which the amount payable on  
25 each dollar wagered exceeds a multiple of ten cents.

26           "Commission" means the Virginia Racing Commission.

27           "Drug" shall have the meaning prescribed by § 54.1-3401. The  
28 Commission shall by regulation define and designate those drugs that

1 use of which is prohibited or restricted.

2 "Enclosure" means all areas of the property of a track to which  
3 admission can be obtained only by payment of an admission fee or upon  
4 presentation of authorized credentials, and any additional areas  
5 designated by the Commission.

6 "Horse racing" means a competition on a set course involving a  
7 race between horses on which pari-mutuel wagering is permitted.

8 "Licensee" includes any person holding an owner's, operator's or  
9 limited license under §§ 59.1-375 through 59.1-386 of this chapter.  
10 The licensee under a limited license shall not be deemed an owner for  
11 the purposes of owning or operating a satellite facility.

12 "Member" includes any person designated a member of a nonstock  
13 corporation, and any person who by means of a pecuniary or other  
14 interest in such corporation exercises the power of a member.

15 "Pari-mutuel wagering" means the system of wagering on horse  
16 races in which those who wager on horses that finish in the position  
17 or positions for which wagers are taken share in the total amounts  
18 wagered, less deductions required or permitted by law, and includes  
19 pari-mutuel wagering on simulcast horse racing originating within the  
20 Commonwealth or from any other jurisdiction.

21 "Permit holder" includes any person holding a permit to  
22 participate in any horse racing subject to the jurisdiction of the  
23 Commission or in the conduct of a race meeting or pari-mutuel betting  
24 thereon as provided in § 59.1-387.

25 "Person" includes a natural person, partnership, joint venture,  
26 association, or corporation.

27 "Pool" means the amount wagered during a race meeting or during a  
28 specified period thereof.



1 "Principal stockholder" means any person who individually or in  
2 concert with his spouse and immediate family members, owns or  
3 controls, directly or indirectly, five percent or more of the stock of  
4 any person which is a licensee, or who in concert with his spouse and  
5 immediate family members, has the power to vote or cause the vote of  
6 five percent or more of any such stock.

7 "Race meeting" means the whole consecutive period of time during  
8 which horse racing with pari-mutuel wagering is conducted by a  
9 licensee.

10 "Satellite facility" means all areas of the property at which  
11 simulcast horse racing is received for the purposes of pari-mutuel  
12 wagering, and any additional areas designated by the Commission.

13 "Simulcast horse racing" means the simultaneous transmission of  
14 the audio or video portion, or both, of horse races, whether such  
15 racess originate within the Commonwealth or any other jurisdiction, to  
16 satellite facilities, whether such facilities are located within the  
17 Commonwealth or any other jurisdiction, by satellite communication  
18 devices, television cables, telephone lines, or any other means for  
19 the purposes of conducting pari-mutuel wagering.

20 "Stock" includes all classes of stock of an applicant or licensee  
21 corporation, and any debt or other obligation of such corporation or  
22 stockholder thereof or stock of an affiliated corporation if the  
23 Commission finds that the holder of such obligation or stock derives  
24 therefrom such control of or voice in the operation of the applicant  
25 or licensee corporation that he should be deemed a stockholder.

26 "Virginia Breeders Fund" means the fund established to foster the  
27 industry of breeding race horses in the Commonwealth of Virginia.

28 § 59.1-368. Financial interests of Commission members, employees

1 and family members prohibited.--No member or employee of the  
2 Commission, and no spouse or immediate family member of any such  
3 member or employee shall have any financial interest, direct or  
4 indirect, in any horse racetrack , satellite facility or operation  
5 incident ~~thereof~~-thereto subject to the provisions of this chapter,  
6 or in any entity which has submitted an application for a license  
7 under Article 2 (§ 59.1-375 et seq.) of this chapter, or in the  
8 operation of any such track or facility within the Commonwealth, or in  
9 the operation of any wagering authorized under this chapter, or  
10 participate as owner of a horse or otherwise as a contestant in any  
11 race subject to the jurisdiction of the Commission, or have any  
12 pecuniary interest in the purse or prize contested for in any such  
13 race. No member of the Commission and no spouse or immediate family  
14 member of a Commission member shall make any contribution to a  
15 candidate for office or office holders on the local or state level, or  
16 cause a contribution to be made on their behalf.

17 § 59.1-369. Powers and duties of the Commission.--The Commission  
18 shall have all powers and duties necessary to carry out the provisions  
19 of this chapter and to exercise the control of horse racing as set  
20 forth in § 59.1-364. Such powers and duties shall include but not be  
21 limited to the following:

22 1. The Commission is vested with jurisdiction and supervision  
23 over all horse ~~raees-~~racing licensed under the provisions of this  
24 chapter ~~and-over-~~including all persons conducting, participating in,  
25 or attending ~~such-raees-~~any race meeting . It shall employ such  
26 persons to be present at race meetings as are necessary to ensure that  
27 they are conducted with order and the highest degree of integrity. It  
28 may eject or exclude from the enclosure or from any part thereof any

1 person, whether or not he possesses a license or permit, whose conduct  
2 or reputation is such that his presence may, in the opinion of the  
3 Commission, reflect on the honesty and integrity of horse racing or  
4 interfere with the orderly conduct of horse racing.

5       2. The Commission, its representatives, and employees shall  
6 visit, investigate, and have free access to the office, track,  
7 ~~facilities~~-enclosure, satellite facility, or other places of  
8 business of any license or permit holder, and may compel the  
9 production of any of the books, documents, records, or memoranda of  
10 any license or permit holder for the purpose of satisfying itself that  
11 this chapter and its regulations are strictly complied with. In  
12 addition, the Commission may require the production of an annual  
13 balance sheet and operating statement of any person licensed or  
14 granted a permit pursuant to the provisions of this chapter and may  
15 require the production of any contract to which such person is or may  
16 be a party.

17       3. The Commission shall promulgate regulations and conditions  
18 under which horse racing ~~and~~with pari-mutuel wagering shall be  
19 conducted in the Commonwealth, and all such other regulations it deems  
20 necessary and appropriate to effect the purposes of this chapter.  
21 Such regulations shall include provisions for affirmative action to  
22 assure participation by minority persons in contracts granted by the  
23 Commission and its licensees. Nothing in this subsection shall be  
24 deemed to preclude private local ownership or participation in any  
25 horse racetrack. Such regulations may include penalties for  
26 violations. The regulations shall be subject to the Administrative  
27 Process Act (§ 9-6.14:1 et seq.).

28       4. The Commission shall promulgate regulations and conditions

1 under which simulcast horse racing shall be conducted in the  
2 Commonwealth, and all such other regulations it deems necessary and  
3 appropriate to effect the purposes of this chapter. Such regulations  
4 shall include provisions for: (i) majority ownership of satellite  
5 facilities by an entity licensed by the Commission which owns a horse  
6 racetrack in the Commonwealth; (ii) the authorization for up to six  
7 satellite facilities; and (iii) the restriction of pari-mutuel  
8 wagering at satellite facilities to those days on which race meetings  
9 are held at a horse racetrack licensed by the Commission, except that  
10 the Commission may authorize the conduct of pari-mutuel wagering at  
11 satellite facilities for a total of twenty-five special events per  
12 year on those days that the aforementioned horse racetrack is not in  
13 operation. Nothing in this subsection shall be deemed to preclude  
14 private local ownership or participation in any satellite facility.

15 4.--5. The Commission may issue subpoenas for the attendance of  
16 witnesses before it, administer oaths, and compel production of  
17 records or other documents and testimony of such witnesses whenever,  
18 in the judgment of the Commission, it is necessary to do so for the  
19 effectual discharge of its duties.

20 5.--6. The Commission may compel any person holding a license  
21 or permit hereunder to file with the Commission such data as shall  
22 appear to the Commission to be necessary for the performance of its  
23 duties ~~thereunder~~, including but not limited to financial statements  
24 and information relative to stockholders and all others with any  
25 pecuniary interest in such person. It may prescribe the manner in  
26 which books and records of such persons shall be kept.

27 6.--7. The Commission may enter into arrangements with any  
28 foreign or domestic government or governmental agency, for the

1 purposes of exchanging information or performing any other act to  
2 better ensure the proper conduct of horse racing.

3 ~~7~~--8. The Commission shall report annually to the Governor and  
4 the General Assembly, which report shall include a financial statement  
5 of the operation of the Commission.

6 ~~8~~--9. The Commission may order such-audits ~~7~~-in addition to  
7 those required by § 59.1-394 ~~7~~-as it deems necessary and desirable.

8 ~~9~~--10. The Commission shall upon the receipt of a complaint of  
9 an alleged criminal violation of this chapter immediately report the  
10 complaint to the Attorney General of the Commonwealth and the State  
11 Police for appropriate action.

12 ~~10~~--11. The Commission shall provide for the withholding of  
13 the applicable amount of state and federal income tax of persons  
14 claiming a prize or pay-off for a winning wager and shall establish  
15 the thresholds for such withholdings.

16 § 59.1-371. Fingerprints and background investigations.--The  
17 Commission shall ~~require-the-fingerprints-fingerprint~~ and require a  
18 background investigation to include a criminal history record  
19 information check of the following persons to be conducted by a  
20 representative of a law-enforcement agency of the Commonwealth or  
21 federal government: (i) every person licensed to hold ~~rac~~ing-race  
22 meetings within the Commonwealth of Virginia; (ii) every person who is  
23 an officer or director or principal stockholder of a corporation which  
24 holds such a license, and every employee of the holder of any such  
25 license whose duties relate to the horse racing business in Virginia;  
26 (iii) all security personnel of any license holder; (iv) members and  
27 employees of the Virginia Racing Commission; ~~and~~-(v) all permit  
28 holders, owners, trainers, jockeys, apprentices, stable employees,

1 managers, agents, blacksmiths, veterinarians, employees of any license  
2 or permit holder ~~;~~ and (vi) any person who actively participates in  
3 the racing ~~activities~~ activities of any license or permit holder.

4 § 59.1-375. Owner's and operator's license required.--No person  
5 shall construct, establish or own a horse racetrack or satellite  
6 facility where ~~race-meetings-are-to-be-held-and-pari-mutuel~~ wagering  
7 is permitted, unless he has obtained an owner's license issued by the  
8 Commission in accordance with the provisions of this chapter.

9 No person shall operate pari-mutuel wagering or conduct any race  
10 meeting at which wagering is permitted with his knowledge or  
11 acquiescence, unless he has obtained an operator's license issued by  
12 the Commission in accordance with the provisions of this chapter.

13 No person to whom an owner's or operator's license ~~or-a-limited-~~  
14 ~~license~~ has been issued nor any officer, director, partner, or spouse  
15 or immediate family member thereof shall make any contribution to any  
16 candidate for public office or public office holder at the local or  
17 state level.

18 No license issued under the provisions of this chapter shall be  
19 transferable.

20 § 59.1-376. Limited licenses; transfer of meet; taxation;  
21 authority to issue; limitations.--A. Notwithstanding the provisions of  
22 § 59.1-375 or § 59.1-378 but subject to such regulations and criteria  
23 as it may prescribe, the Commission is authorized to issue limited  
24 licenses, provided such licenses shall permit any holder to conduct a  
25 race meeting or meetings ~~with-wagering-privileges,~~ for a period not to  
26 exceed fourteen days in any calendar year.

27 B. The Commission may at any time, in its discretion, authorize  
28 any organization or association licensed under this section to

1 transfer its race ~~meet-meeting~~ or meetings from its own track or  
 2 place for holding races, to the track or place for holding races of  
 3 any other organization or association licensed under this chapter upon  
 4 the payment of any and all appropriate license fees ~~for-the-conduct-of~~  
 5 ~~raciing-at-the-particular-track-or-place-for-holding-races-on-which-the~~  
 6 ~~raciing-is-to-be-conducted-~~. No such authority to transfer shall be  
 7 granted without the express consent of the organization or association  
 8 owning or leasing the track to which such transfer is made.

9 C. For any such meeting the licensee shall retain and pay from  
 10 the pool the tax as provided in § 59.1-392.

11 D. No person to whom a limited license has been issued nor any  
 12 officer, director, partner, or spouse or immediate family member  
 13 thereof shall make any contribution to any candidate for public office  
 14 or public office holder at the local or state level.

15 § 59.1-377. Application for owner's license.--A. Any person  
 16 desiring to construct or own a horse racetrack or satellite facility  
 17 ~~at-which-where~~ pari-mutuel wagering is permitted shall file with the  
 18 Commission an application for an owner's license. Such application  
 19 shall be filed at the time and place prescribed by the Commission, and  
 20 shall be in such form and contain such information as prescribed by  
 21 the Commission, including but not limited to the following:

22 1. The name and address of such person; if a corporation, the  
 23 state of its incorporation, the full name and address of each officer  
 24 and director thereof, and if a foreign corporation, whether it is  
 25 qualified to do business in this Commonwealth; if a partnership or  
 26 joint venture, the name and address of each officer thereof;

27 2. The name and address of each stockholder or member of such  
 28 corporation, or each partner of such partnership or joint venture, and

1 of each person who has contracted for a pecuniary interest in the  
2 applicant , the horse racetrack, or the facilities-satellite facility  
3 at-which-such-where race meeting-meetings or pari-mutuel wagering  
4 will be conducted, whether such interest is an ownership or a security  
5 interest, and the nature and value of such interest, and the name and  
6 address of each person who has agreed to lend money to the applicant;

7 3. Such information as the Commission deems appropriate regarding  
8 the character, background and responsibility of the applicant and the  
9 members, partners, stockholders, officers and directors of the  
10 applicant;

11 4. The location and description of the racetrack, place or  
12 enclosure-satellite facility where such person proposes to hold such  
13 meetings or wagering , including the name of any county, city or town  
14 in which any property of such track or facility is or will be located.  
15 The Commission shall require such information ~~about-the-facilities-and~~  
16 ~~location-of-such-track-as~~ it deems necessary and appropriate to  
17 determine whether they comply with the minimum standards provided in  
18 this chapter, and whether the conduct of a race meeting or pari-mutuel  
19 wagering at such location would be in the best interests of the people  
20 of the Commonwealth;

21 5. Such information relating to the financial responsibility of  
22 the applicant as the Commission deems appropriate;

23 6. If any of the facilities necessary for the conduct of racing  
24 or pari-mutuel betting-wagering are to be leased, the terms of such  
25 lease; and

26 7. Any other information which the Commission in its discretion  
27 deems appropriate.

28 B. Any application filed hereunder shall be verified by the oath



1 or affirmation of an officer of the applicant, and shall be  
2 accompanied by a nonrefundable application fee as determined by the  
3 Commission.

4 C. Any person who knowingly makes a false statement to the  
5 Commission for the purposes of obtaining a license under this article  
6 shall be guilty of a Class 4 felony.

7 § 59.1-378. Issuance of owner's license.--A. The Commission  
8 shall consider all applications for an owner's license and may grant a  
9 valid owner's license to applicants who meet the criteria set forth in  
10 this chapter and established by the Commission. The Commission shall  
11 deny a license to any applicant, unless it finds that the applicant's  
12 facilities are or will be appropriate for the finest quality of racing  
13 , and meet or will meet the minimum standards that any track provided  
14 for standard breed racing be at least five-eighths of a mile, that any  
15 dirt track provided for flat racing be at least one mile, and that any  
16 track provided for flat or jump racing on the turf be at least  
17 seven-eighths of a mile.

18 B. The Commission shall deny a license to an applicant if it  
19 finds that for any reason the issuance of a license to the applicant  
20 would not be in the interest of the people of the Commonwealth or the  
21 horse racing industry in the Commonwealth, or would reflect adversely  
22 on the honesty and integrity of the horse racing industry in the  
23 Commonwealth, or that the applicant, or any officer, partner,  
24 principal stockholder, or director of the applicant:

25 1. Has knowingly made a false statement of material fact or has  
26 deliberately failed to disclose any information requested;

27 2. Is or has been found guilty of any illegal, corrupt, or  
28 fraudulent act, practice, or conduct in connection with any-horse race

1 ~~meeting-racing~~ in this or any other state, or has been convicted of a  
2 felony;

3 3. Has at any time knowingly failed to comply with the provisions  
4 of this chapter or of any regulations of the Commission;

5 4. Has had a license or permit to hold or conduct a horse race  
6 meeting denied for just cause, suspended, or revoked in any other  
7 state or country;

8 5. Has legally defaulted in the payment of any obligation or debt  
9 due to the Commonwealth;

10 6. Has constructed or caused to be constructed a racetrack or  
11 ~~pari-mutuel~~-satellite facility for which a license was required under  
12 § 59.1-377 hereof without obtaining such license, or has deviated  
13 substantially, without the permission of the Commission, from the  
14 plans and specifications submitted to the Commission; or

15 7. Is not qualified to do business in Virginia or is not subject  
16 to the jurisdiction of the courts of this Commonwealth.

17 C. The Commission shall deny a license to any applicant unless it  
18 finds:

19 1. That, if the corporation is a stock corporation, that such  
20 stock is fully paid and nonassessable, has been subscribed and paid  
21 for only in cash or property to the exclusion of past services, and,  
22 if the corporation is a nonstock corporation, that there are at least  
23 twenty members;

24 2. That all principal stockholders or members have submitted to  
25 the jurisdiction of the Virginia courts, and all nonresident principal  
26 stockholders or members have designated the Executive Secretary of the  
27 Commission as their agent for receipt of process;

28 3. That the applicant's articles of incorporation provide that

1 the corporation may, on vote of a majority of the stockholders or  
 2 members, purchase at fair market value the entire membership interest  
 3 of any stockholder or require the resignation of any member who is or  
 4 becomes unqualified for such position under § 59.1-379; and

5 4. That the applicant meets the criteria established by the  
 6 Commission for the granting of an owner's license.

7 § 59.1-380. Duration, form of owner's license; bond.--A license  
 8 issued under § 59.1-378 shall be for the period set by the Commission,  
 9 not to be less than twenty years, but shall be reviewed annually. The  
 10 Commission shall designate on the license the duration of such  
 11 license, the location of such track or satellite facility or proposed  
 12 track or satellite facility and such other information as it deems  
 13 proper. The Commission shall establish criteria and procedures for  
 14 license renewal.

15 The Commission shall require a bond with surety acceptable to it  
 16 and in an amount determined by it, to be sufficient to cover any  
 17 indebtedness incurred by the licensee to the Commonwealth.

18 § 59.1-381. Application for operator's license.--A. Any person  
 19 desiring to hold a race meeting ~~at which pari-mutuel wagering is~~  
 20 ~~permitted~~ or operate a satellite facility shall file with the  
 21 Commission an application for an operator's license. Such application  
 22 may be made in conjunction with an application for an owner's license,  
 23 if appropriate. It shall be filed at the time and place prescribed by  
 24 the Commission and contain such information as prescribed by the  
 25 Commission, including all information prescribed for an owner's  
 26 license under § 59.1-377 ~~and, in addition, the date the applicant~~  
 27 ~~wishes to conduct a race meeting.~~

28 B. Any application filed hereunder shall be verified by the oath

1 or affirmation of an officer of the applicant and shall be accompanied  
2 by a nonrefundable application fee as determined by the Commission.

3 § 59.1-382. Issuance of operator's license.--The Commission  
4 shall promptly consider any application for an operator's license and  
5 grant a valid operator's license to applicants who meet the criteria  
6 set forth in this chapter and established by the Commission. The  
7 Commission shall deny a license to any applicant, unless it finds:

8 1. That such applicant is a corporation organized under Title  
9 13.1 or comparable law of another state, and qualified to do business  
10 in Virginia;

11 2. That, if the corporation is a stock corporation, all principal  
12 stockholders have submitted to the jurisdiction of the Virginia courts  
13 and all nonresident principal stockholders have designated the  
14 Executive Secretary of the Commission as their agent for process, and  
15 further, that an application shall also contain information as  
16 required by § 59.1-377;

17 3. That the applicant's articles of incorporation provide that  
18 the corporation may, on vote of a majority of the stockholders or  
19 members, purchase at fair market value the entire membership interest  
20 of any stockholder, or require the resignation of any member, who is  
21 or becomes unqualified for such position under § 59.1-379;

22 4. That the applicant would be qualified for a license to own  
23 such horse racetrack facilities-or satellite facility under the  
24 provisions of §§ 59.1-378 and 59.1-379;

25 5. That the applicant has made provisions satisfactory to the  
26 Commission for the detection and prosecution of any illegal, corrupt  
27 or fraudulent act, practice or conduct in connection with any race  
28 meeting or pari-mutuel wagering, that the applicant has made

1 provision for membership in the Thoroughbred Racing Association or  
2 other equivalent applicable association, and that the applicant shall  
3 utilize the services of the Thoroughbred Racing Protective Bureau or  
4 any other protective agency acceptable to the Virginia Racing  
5 Commission;

6 6. That the applicant has met the criteria established by the  
7 Commission for the granting of an operator's license.

8 § 59.1-383. Duration, form of operator's license; bond.--A  
9 license issued under § 59.1-382 shall be for a period of twenty years  
10 from the date of issuance, but shall be reviewed annually. The  
11 Commission may, as it deems appropriate, change at the beginning of  
12 any year the dates on which the licensee is authorized to conduct a  
13 race meeting or pari-mutuel wagering. An applicant for renewal of a  
14 license may omit any information which in the opinion of the  
15 Commission is already available to it. The Commission shall establish  
16 criteria and procedures for license renewal.

17 Any license issued under § 59.1-382 shall designate on its face  
18 the type or types of horse racing or pari-mutuel wagering for which it  
19 is issued, the location of the track or satellite facility where such  
20 meeting or wagering is to be conducted, the period during which such  
21 license is in effect and such other information as the Commission  
22 deems proper.

23 The Commission shall require a bond with surety acceptable to it,  
24 and in an amount determined by it to be sufficient to cover any  
25 indebtedness incurred by such licensee during the days allotted for  
26 racing.

27 § 59.1-385. Suspension or revocation of license.--After a  
28 hearing with fifteen days' notice the Commission may suspend or revoke

1 any license, or fine the holder thereof a sum not to exceed \$100,000,  
2 in any case where it has reason to believe that any provision of this  
3 chapter, or any regulation or condition of the Commission, has not  
4 been complied with or has been violated. The Commission may revoke a  
5 license if it finds that facts not known by it at the time it  
6 considered the application indicate that such license should not have  
7 been issued. Deliberations of the Commission hereunder shall be  
8 conducted pursuant to the provisions of the Virginia Freedom of  
9 Information Act (§ 2.1-340 et seq.). If any such license is suspended  
10 or revoked, the Commission shall state its reasons for doing so, which  
11 shall be entered of record. Such action shall be final unless appealed  
12 in accordance with § 59.1-373. Suspension or revocation of a license  
13 by the Commission for any violation shall not preclude criminal  
14 liability for such violation.

15 § 59.1-387. Permit required.--No person shall participate in any  
16 horse racing subject to the jurisdiction of the Commission or in the  
17 conduct of a race meeting or pari-mutuel ~~betting-wagering~~ thereon,  
18 including but not limited to as a horse owner, trainer, jockey,  
19 exercise rider, groom, stable foreman, valet, veterinarian, agent,  
20 pari-mutuel employee, concessionaire or employee thereof, track  
21 employee, or other positions the Commission deems necessary to  
22 regulate to ensure the integrity of horse racing in Virginia, unless  
23 such person possesses a permit therefor from the Commission, and  
24 complies with the provisions of this chapter and all Commission  
25 regulations. No permit issued under the provisions of this chapter  
26 shall be transferable.

27 § 59.1-389. Consideration of application.--A. The Commission  
28 shall promptly consider any application for a permit and issue or deny

1 such permit based on the information in the application and all other  
2 information before it, including any investigation it deems  
3 appropriate. If an application for a permit is approved, the  
4 Commission shall issue a permit, which shall contain such information  
5 as the Commission deems appropriate. Such permit shall be valid for  
6 one year. The Commission shall establish criteria and procedures for  
7 permit renewal.

8 B. The Commission shall deny the application and refuse to issue  
9 the permit, which denial shall be final unless an appeal is taken  
10 under § 59.1-373, if it finds that the issuance of such permit to such  
11 applicant would not be in the interests of the people of the  
12 Commonwealth, or the horse racing industry of the Commonwealth, or  
13 would reflect on the honesty and integrity of the horse racing  
14 industry in the Commonwealth, or that the applicant:

15 1. Has knowingly made a false statement of a material fact in the  
16 application, or has deliberately failed to disclose any information  
17 requested by the Commission;

18 2. Is or has been guilty of any corrupt or fraudulent practice or  
19 conduct in connection with ~~any-horse race-meeting-racing~~ in this or  
20 any other state;

21 3. Has knowingly failed to comply with the provisions of this  
22 chapter or the regulations of the Commission;

23 4. Has had a permit to engage in activity related to horse racing  
24 denied for just cause, suspended or revoked in any other state, and  
25 such denial, suspension or revocation is still in effect;

26 5. Is unqualified to perform the duties required for the permit  
27 sought; or

28 6. Has been convicted of a misdemeanor or felony involving

1 unlawful conduct or wagering, fraudulent use of a credential, unlawful  
2 transmission of information, touting, bribery, administration or  
3 possession of drugs or any felony considered by the Commission to be  
4 detrimental to horse racing in the Commonwealth.

5 C. The Commission may refuse to issue the permit if for any  
6 reason it feels the granting of such permit is not consistent with the  
7 provisions of this chapter or its responsibilities hereunder.

8 § 59.1-390. Suspension or revocation of permit; fine.--The  
9 Commission may suspend or revoke a permit issued under this chapter or  
10 fine the holder of such permit a sum not to exceed \$10,000, after a  
11 hearing for which proper notice has been given to the permittee, in  
12 any case where it has reason to believe that any provision of this  
13 chapter, or any regulation or condition of the Commission, has not  
14 been complied with, or has been violated. The Commission may revoke  
15 such permit, after such hearing, if it finds that facts not known by  
16 it at the time it was considering the application indicate that such  
17 permit should not have been issued. Deliberations of the Commission  
18 under this section shall be conducted pursuant to the provisions of  
19 the Virginia Freedom of Information Act (§ 2.1-340 et seq.). If any  
20 permit is suspended or revoked, the Commission shall state its reasons  
21 for doing so, which shall be entered of record. Such action shall be  
22 final unless an appeal is taken in accordance with § 59.1-373.

23 Suspension or revocation of a permit by the Commission for any  
24 violation shall not preclude criminal liability for such violation.

25 § 59.1-391. Local referendum required.--The Commission shall not  
26 grant any initial license to construct, establish, operate or own a  
27 racetrack or satellite facility until a referendum approving the  
28 question is held in each county or city in which such track or its-



1 ~~facilities-are-~~satellite facility is to be located, in the following  
2 manner:

3 1. A petition, signed by five percent of the qualified voters of  
4 such county or city, shall be filed with the circuit court of such  
5 county or city, asking that a referendum be held on the question,  
6 "Shall ~~pari-mutuel betting-wagering~~ be permitted in name of such  
7 county or city in accordance with Chapter 29 of Title 59.1 (§ 59.1-364  
8 et seq.) of the Code of Virginia?"

9 2. Following the filing of such petition, the court shall, by  
10 order of record entered in accordance with § 24.1-165, require the  
11 regular election officers of such city or county to cause a special  
12 election to be held to take the sense of the qualified voters on the  
13 question. Such election shall be on a day designated by order of such  
14 court, but shall not be later than the next general election unless  
15 such general election is within sixty days of the date of the entry of  
16 such order, nor shall it be held on a date designated as a primary  
17 election.

18 3. The clerk of such court of record of such city or county shall  
19 publish notice of such election in a newspaper of general circulation  
20 in such city or county once a week for three consecutive weeks prior  
21 to such election.

22 4. The regular election officers of such city or county shall  
23 open the polls at the various voting places in such city or county on  
24 the date specified in such order and conduct such election in the  
25 manner provided by law. The election shall be by ballot which shall be  
26 prepared by the electoral board of the city or county and on which  
27 shall be printed the following:

28 "Shall ~~pari-mutuel betting-wagering~~ be permitted in

1 ..... in accordance with Chapter 29 of Title 59.1 (§  
2 59.1-364 et seq.) of the Code of Virginia?

3 #b Yes

4 #b No"

5 In the blank shall be inserted the name of the city or county in  
6 which such election is held. Any voter desiring to vote "Yes" shall  
7 mark a check (/cm) mark or a cross (x or +) mark or a line (-) in the  
8 square provided for such purpose immediately preceding the word "Yes,"  
9 leaving the square immediately preceding the word "No" unmarked. Any  
10 voter desiring to vote "No" shall mark a check (/cm) mark or a cross  
11 (x or +) mark or a line (-) in the square provided for such purpose  
12 immediately preceding the word "No," leaving the square immediately  
13 preceding the word "Yes" unmarked.

14 The ballots shall be counted, returns made and canvassed as in  
15 other elections, and the results certified by the electoral board to  
16 the court ordering such election. Thereupon, such court shall enter an  
17 order proclaiming the results of such election and a duly certified  
18 copy of such order shall be transmitted to the Commission and to the  
19 governing body of such city or county.

20 No such referendum as described above shall be held more often  
21 than every three years in the same county or city.

22 A subsequent local referendum shall be required if a license has  
23 not been granted by the Commission within five years of the court  
24 order proclaiming the results of the election.

25 § 59.1-392. Percentage retained; tax.--A. Any person holding an  
26 operator's license pursuant to this chapter shall be authorized to  
27 conduct pari-mutuel wagering on horse racing subject to the provisions  
28 of this chapter and the conditions and regulations of the Commission.

1 Pari-mutuel wagering generated on transmissions of horse races  
2 conducted within the Commonwealth shall be included in the pari-mutu  
3 pools at the horse racing enclosure. On pari-mutuel wagering  
4 generated by transmission of horse racing conducted outside the  
5 Commonwealth, the licensee may commingle pools with the racetrack  
6 where the transmission emanates or establish separate pools for  
7 wagering within the Commonwealth.

8 Sub-B. On pari-mutuel pools generated solely by wagering on  
9 horse races conducted within the Commonwealth, including any moneys  
10 commingled from other jurisdictions involving win, place and show  
11 wagering, the licensee shall retain from the pari-mutuel pool  
12 involving win, place and show wagering an amount not to exceed  
13 eighteen percent of the pool, and the legitimate breakage, out of  
14 which shall be paid:

15 1. One-a. If there are no satellite facilities, one and  
16 one-half percent of the pool to the Commonwealth as a license tax  
17 which shall be paid within five days to the Commonwealth;

18 b. If there are satellite facilities, one percent of the pool to  
19 the Commonwealth as a license tax which shall be paid within five days  
20 to the Commonwealth, and one-half percent of the pool shall be paid to  
21 the locality in which the satellite facility is located which shall be  
22 paid within five days to the locality. If any satellite facility is  
23 located in more than one locality, the license tax shall be prorated  
24 in equal shares among those localities;

25 2. Eight percent of the pool as purses or prizes to the  
26 participants in such race meeting;

27 3. Seven and one-half percent of the pool, the breakage and th  
28 proceeds of pari-mutuel tickets unredeemed ~~sixty~~-180 days from the

1 date on which the race was conducted, to the operator; and

2 4. One percent of the pool to the Virginia Breeders Fund which  
3 shall be paid to the Commission within five days and shall be used in  
4 support of the policy of the Commonwealth to sustain and promote the  
5 growth of a native industry.

6 B---C. On pari-mutuel pools generated solely by wagering on  
7 horse races conducted within the Commonwealth, including any moneys  
8 commingled from other jurisdictions involving wagering other than that  
9 set forth in subsection A-B of this section, the licensee shall  
10 retain an amount not to exceed twenty-two percent of the pool and the  
11 legitimate breakage, out of which shall be paid:

12 1. Three-a. If there are no satellite facilities, three  
13 percent of the pool to the Commonwealth as a license tax which shall  
14 be paid within five days to the Commonwealth;

15 b. If there are satellite facilities, two percent of the pool to  
16 the Commonwealth as a license tax which shall be paid within five days  
17 to the Commonwealth, and one percent of the pool shall be paid to the  
18 locality in which the satellite facility is located which shall be  
19 paid within five days to the locality. If any satellite facility is  
20 located in more than one locality, the license tax shall be prorated  
21 in equal shares among those localities;

22 2. Nine percent of the pool as purses or prizes to the  
23 participants in such race meeting;

24 3. Nine percent of the pool, the breakage and the proceeds of the  
25 pari-mutuel tickets unredeemed ~~sixty~~-180 days from the date on which  
26 the race was conducted, to the operator; and

27 4. One percent of the pool to the Virginia Breeders Fund which  
28 shall be paid to the Commission and used ~~as provided in subdivision 4-~~

1 ~~of subsection A of this section~~ in support of the policy of the  
2 Commonwealth to sustain and promote the growth of a native industry

3 D. On pari-mutuel pools generated by wagering solely on horse  
4  races simulcast from another jurisdiction into the Commonwealth  
5  involving win, place and show wagering, the licensee shall retain an  
6  amount not to exceed eighteen percent of the pool, and legitimate  
7  breakage, out of which shall be paid:

8 1. a. If there are no satellite facilities, one and one-half  
9  percent of the pool to the Commonwealth as a license tax which shall  
10  be paid within five days to the Commonwealth;

11 b. If there are satellite facilities, one percent of the pool to  
12  the Commonwealth as a license tax which shall be paid within five days  
13  to the Commonwealth, and one-half percent of the pool to the locality  
14  in which the satellite facility is located which shall be paid within  
15  five days to the locality. If the satellite facility is located in  
16  more than one locality, the license tax shall be prorated in equal  
17  shares among those localities; and

18 2. One percent of the pool to the Virginia Breeders Fund which  
19  shall be paid to the Commission within five days and shall be used in  
20  support of the policy of the Commonwealth to sustain and promote the  
21  growth of a native industry.

22 Any contractual agreement between a licensee and other entities  
23  concerning the distribution of the remaining portion of the retainage  
24  is subject to the approval of the Commission.

25 E. On pari-mutuel pools generated by wagering solely on horse  
26  races simulcast from another jurisdiction into the Commonwealth  
27  involving wagering other than that set forth in subsection D, the  
28  licensee shall retain an amount not to exceed twenty-two percent of

1 the pool, and legitimate breakage, out of which shall be paid:

2 1. a. If there are no satellite facilities, three percent of  
3 the pool to the Commonwealth as a license tax which shall be paid  
4 within five days to the Commonwealth;

5 b. If there are satellite facilities, two percent of the pool to  
6 the Commonwealth as a license tax which shall be paid within five days  
7 to the Commonwealth, and one percent of the pool to the locality in  
8 which the satellite facility is located which shall be paid within  
9 five days to the locality. If the satellite facility is located in  
10 more than one locality, the license tax shall be prorated in equal  
11 shares among the localities; and

12 2. One percent of the pool to the Virginia Breeders Fund which  
13 shall be paid to the Commission and used in support of the policy of  
14 the Commonwealth to sustain and promote the growth of a native  
15 industry.

16 Any contractual agreement between a licensee and other entities  
17 concerning the distribution of the remaining portion of the retainage  
18 is subject to the approval of the Commission.

19 6+--F. Moneys payable to the Commonwealth shall be deposited in  
20 the general fund. Gross receipts for license tax purposes under  
21 Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 shall not include  
22 pari-mutuel wagering pools and license taxes authorized by this  
23 section.

24 § 59.1-393. Admissions tax.--The governing body of any county or  
25 city may by ordinance impose a tax on any licensee hereunder to  
26 conduct a race meeting at a track located solely in such county or  
27 city of twenty-five cents on the admission of each person on each day  
28 of such meeting-, except those holding a valid permit under this

1 chapter and actually employed at such track in the capacity for which  
2 such permit was issued. The licensee may collect such amount from the  
3 ticket holder in addition to the amount charged for the ticket of  
4 admission.

5 If such track or its ~~facilities~~-enclosures are located in two or  
6 in three localities, each locality may impose a tax hereunder of  
7 twelve and one-half cents or eight and one-third cents per person,  
8 respectively.

9 Gross receipts for license tax purposes under Chapter 37 (§  
10 58.1-3700 et seq.) of Title 58.1 shall not include the admissions tax  
11 imposed under this section.

12 § 59.1-396. Fraudulent use of credential.--Any person other than  
13 the lawful holder thereof who has in his possession any credential,  
14 license or permit issued by the Commission, or a forged or simulated  
15 credential, license or permit of the Commission, and who uses such  
16 credential, license or permit for the purpose of misrepresentation,  
17 fraud or touting is guilty of a Class 4 felony.

18 Any credential, license or permit issued by the Commission, if  
19 used by the holder thereof for a purpose other than identification and  
20 in the performance of legitimate duties on a racetrack or within a  
21 satellite facility, shall be automatically revoked whether so used on  
22 or off a racetrack or satellite facility.

23 § 59.1-405. Conspiracies and attempts to commit violations.--A.  
24 Any person who conspires, confederates or combines with another,  
25 either within or without this Commonwealth, to commit a felony  
26 prohibited by this chapter shall be guilty of a Class 4 felony.

27 B. Any person who attempts to commit any act prohibited by this  
28 ~~chapter~~-article shall be guilty of a criminal offense and punished as

1 provided in either §§ 18.2-26, 18.2-27 or § 18.2-28, as appropriate.

2 2. That § 59.1-404 of the Code of Virginia is repealed.

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