

Proposed Interstate Racing and Wagering Compact

State racing commissions have
option to make, in consultation with
industry, rules and programs jointly

New York Proposal

1. Correct a long-standing industry problem
2. Significant step toward uniformity
3. Create a mechanism for state racing commissions to act in unison

... by forming an interstate racing compact with the authority to adopt rules and programs that take effect in the member states who want them

Long-Standing Problem – Lack a Mechanism for Acting Together

1. Each racing commission, in isolation, decides to proceed;
2. Stakeholders forced to repeat input in each jurisdiction;
3. No shared review of public comments by the states;
4. Rule-making impediments in each state;
5. No oversight of proposed changes being made in states;
6. No mechanism to vote simultaneously.

New structure = option to adopt rules (programs) jointly

Not Replacing State Authority with Federation or Federal Control

1. Keep access and influence at state level
2. Avoid multiple layers of bureaucracy
3. Use existing agencies and experience

We can build on the system, including licensing compact and RCI model rules, and improve it

Interstate Compact Proposal

1. Create a compact commission of states
2. Commission has authority to make rules
3. Institutionalize collaboration with industry to draft uniform, model rules
4. Publish proposed rules (except where state objects)
5. Conduct joint review of public comments
6. Member states simultaneously vote to adopt
7. In all compact states that vote for it, the proposed uniform rule takes effect as the state rule

Compact Rule-Making Process

All the hard work before “formal” rule-making by building on RCI model rule process:

1. Create standing industry and compact committees, to build a consensus and draft uniform, model rules
2. Have industry at the table when compact rules are published and adopted
3. Encourage model rule book, adopt by reference

“Formal” process follows model SAPA of 1981:

1. Publication and notice to all who request it
2. Public participation (comments, hearings)
3. Final vote and publication of adopted rule

Expenses

Considered a business plan, \$360,000 annual cost for central staff – rules coordinator and support staff

Current plan is to use existing RCI and state racing commission resources to implement the compact

Funding by fees (license fees, etc.)

1. Transition period, likely little or no expenses
2. Could be used for national staff/administration

Details of proposed compact

State consent for rules and programs

Uniformity depends on workable system,
leadership

Racing commissions still enforce rules

Possible funding by fees (license fees, etc.)

Absorb licensing compact

State can grant authority to supersede statutes

Developing a Model Bill

- Reviewed by numerous racing commissions and/or their staff
- “Principles” endorsed by RCI Board, July 2009
- Several meetings of interested industry groups with regulators to study the proposal
- Council of State Governments has greatly assisted in drafting a model bill