

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL DRS45304-MH-93

Short Title: North Carolina Derby Act. (Public)

Sponsors: Senators Lowe and Perry (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT FOSTERING NEW DEVELOPMENT IN THE EQUINE SECTOR OF THE  
3 AGRICULTURAL INDUSTRY ALSO BOLSTERING ECONOMIC ACTIVITY IN NC  
4 FOR RETAIL MERCHANTS, RESTAURANTS AND LODGING, TRAVEL AND  
5 TOURISM, AND THE HOSPITALITY INDUSTRY.

6 Whereas, the equine industry in the U.S. generates approximately \$122 billion in total  
7 economic impact; and

8 Whereas, the equine industry has a \$6.5 billion economic impact and generates over  
9 60,000 jobs in the Commonwealth of Kentucky; and

10 Whereas, the Kentucky Derby is the oldest continuously held sporting event in the  
11 United States and its direct economic impact on the city of Louisville is in excess of \$350 million  
12 per year; and

13 Whereas, Kentucky Derby history is rich with diversity. Women have owned, trained,  
14 and ridden Kentucky Derby horses, while 15 of the first 28 Kentucky Derby winning jockeys  
15 were African American; and

16 Whereas, the people of North Carolina would benefit greatly from creative growth in  
17 such a diverse, vibrant sector which enhances economic activity in multiple economic sectors;  
18 Now, therefore,

19 The General Assembly of North Carolina enacts:

20 **SECTION 1.** The General Statutes are amended by adding a new Chapter to read:

21 **"Chapter 16A.**

22 **"North Carolina Derby Act.**

23 **"Article 1.**

24 **"General Provisions and Definitions.**

25 **"§ 16A-1. Short title.**

26 This Chapter may be cited as the "North Carolina Derby Act."

27 **"§ 16A-2. Findings and policy.**

28 The General Assembly finds that horse racing events will generate additional revenues and  
29 incentives for development of a horse training and breeding industry and further development of  
30 the equine industry in this State, for farmland enhancement, and for other governmental purposes  
31 and will provide additional jobs for the residents of the State and benefit the businesses related  
32 to tourism and recreation within the State.

33 It is in the public interest to provide for the establishment of a racing commission to:

34 (1) Regulate horse racing;

35 (2) Promote breeding and training of horses and the further development of the  
36 equine industry in this State;



- 1           (3)    Promote farmland enhancement, the development of new crops in this State,  
2                   and the enhancement of the State's agribusiness industry;  
3           (4)    Administer and enforce the provisions of this Chapter; and  
4           (5)    Develop a long-term plan for racing in North Carolina to determine the  
5                   appropriate location and number of tracks to be built in this State so as to  
6                   position any major track and its purse structure in the upper segment of good  
7                   quality tracks while creating a strong breeding, foaling, and training structure  
8                   throughout the State.

9    **§ 16A-3. Definitions.**

10    Unless the context clearly otherwise requires, the following definitions apply in this Chapter:

- 11           (1)    Breeder. – The owner of a female horse at the time the female horse gives  
12                   birth to a North Carolina–bred horse.  
13           (2)    Breeding fund. – Special funds established by the Commission pursuant to the  
14                   provisions of this Chapter and any applicable rules of the Commission  
15                   concerning the breeding, raising, and racing of horses in the State.  
16           (3)    Breeding fund fee. – A fee payable to the Commission by an operator pursuant  
17                   to this Chapter for deposit into the appropriate horse-breeding fund.  
18           (4)    Commission. – The North Carolina Lottery Commission established under  
19                   Chapter 18C of the General Statutes.  
20           (5)    Horse racing. – Any form of horse racing in which horses carry human riders  
21                   or pull sulkies with human riders.  
22           (6)    License. – A privilege, not a right, that is granted to the holder by the  
23                   Commission in accordance with the provisions of Article 3 of this Chapter.  
24           (7)    Licensed facility or licensed race facility. – All areas on the grounds of a race  
25                   track, including the parking area, to which admission can be obtained only by  
26                   payment of an admission fee or presentation of official credentials.  
27           (8)    Metro area. – The counties containing a metro area population as defined for  
28                   the purposes of allocating government funds by the federal Office of  
29                   Management and Budget.  
30           (9)    Net revenues. – All fees (other than breeding fund fees), commissions, and  
31                   other monies received by the Commission less all expenses incurred in the  
32                   administration of this Chapter.  
33           (10)   North Carolina–bred horse. – A horse which is registered in the registry  
34                   designated and administered by the Commission in accordance with the  
35                   Commission's rules concerning domicile and registration requirements.  
36           (11)   North Carolina–trained horse. – A horse which is boarded and trained in North  
37                   Carolina when not attending racing meetings and which has been trained  
38                   under the rules adopted by the Commission at a North Carolina Certified  
39                   Training Center and is eligible for special races.  
40           (12)   North Carolina stallion. – A stallion which is standing in the State at the time  
41                   he is bred to the dam of a North Carolina–bred horse, which is registered with  
42                   the Commission in accordance with the Commission's rules concerning  
43                   domicile and registration requirements.  
44           (13)   Office or NCRO. – The North Carolina Racing Office established under the  
45                   Commission which is vested with control of all horse racing in the State and  
46                   with power to adopt rules under which racing and wagering shall be  
47                   conducted.  
48           (14)   Operator. – A corporation licensed by the Commission to conduct horse racing  
49                   events in accordance with the provisions of this Chapter.



- 1           (2)    To assign dates and adopt rules for the conduct of horse racing;
- 2           (3)    To license all racing personnel and to adopt licenses as provided in this
- 3           Chapter;
- 4           (4)    To enforce all laws and rules governing horse racing;
- 5           (5)    To audit books and distribute funds and to collect and distribute all taxes as
- 6           provided for in this Chapter;
- 7           (6)    To conduct necessary investigations and inquiries and compel the submission
- 8           of information, documents, and records it deems necessary to carry out its
- 9           duties;
- 10          (7)    To initiate hearings or appeals of alleged wrongdoings;
- 11          (8)    To provide testing facilities for racing animals;
- 12          (9)    To employ and supervise personnel under the laws of this Chapter;
- 13          (10)   To ensure that all operations are cleanly, efficiently, safely, and honestly run;
- 14          (11)   To take all necessary steps to ensure the integrity of racing in North Carolina;
- 15          and
- 16          (12)   To maintain the goal of service to the public within the objectives of
- 17          developing the agribusiness, the equine, and the travel and tourism industries
- 18          in North Carolina.

19    **"§ 16A-8. Executive Secretary.**

20          (a)    The Executive Secretary is in charge of executing the rules adopted by the

21          Commission and conducting the business of the Office. The Executive Secretary shall guarantee

22          that pertinent records and statistics are kept for use in annual reports to appropriate parties and

23          coordinate this information with other states in the Association of Racing Commissioners,

24          International, and other organizations.

25          (b)    The Executive Secretary is responsible for the licensing department and the racing

26          field personnel. The Executive Secretary is responsible for hiring and supervising the office force

27          necessary to carry out the Office's duties, including the field personnel under the Office's

28          jurisdiction. The Executive Secretary furnishes staff support to the State Steward.

29          (c)    The Executive Secretary shall receive a salary in an amount established by the

30          Commission plus travel and subsistence allowance in accordance with G.S. 138-6.

31          (d)    In addition to the above-listed duties, the Executive Secretary shall perform all of the

32          following:

33               (1)    Take and preserve records of all proceedings pertaining to matters regulated

34               under this Chapter before the Commission; maintain its books, documents,

35               and records; and make them available for public inspection as the Commission

36               directs.

37               (2)    If so designated by the Commission, to act as a hearing officer in hearings

38               conducted under the Administrative Procedure Act, to conduct hearings,

39               receive testimony and exhibits, and certify the record of proceedings to the

40               Commission.

41               (3)    Act as the Commission's chief personnel officer and supervise the

42               employment, conduct, duties, and discipline of all Commission employees.

43               (4)    Perform other duties as directed by the Commission.

44    **"§ 16A-9. Other employees; staff.**

45          (a)    Subject to the applicable laws, the Executive Director shall employ and assign duties

46          to other officers, employees, agents, and field personnel it deems necessary to discharge its

47          functions.

48          (b)    Office personnel are subject to the same laws, particularly conflicts of interest, as are

49          the members of the Commission.

50    **"§ 16A-10. Assistance.**

