

**PROPOSED REGULATION POLICY
REVIEW CHECKLIST**

Agency: Nebraska Racing and Gaming Commission

Title, Chapter of Regulation: Title 296, Chapter 1, 2, 3, 4, 5, 7, 8, 9, 11, 12, 13 and 14.

**Subject: Administrative Rules for the Nebraska Racetrack Gaming Act Prepared
by: Tom Sage**

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A. Policy Changes and Impacts

1. *What does the regulation do and whom does it impact? Provide a brief description of the proposed rule or regulation and its impacts on state agencies, political subdivisions, and regulated persons or entities.*

The majority of the rules proposed to be changed are editing language or number changes. Some rules have been changed with the passage of LB 876. Chapter thirteen is a one rule chapter covering smoking regulations. The smoking regulation rule will be moved to Chapter twelve and Chapter thirteen will now cover rules about sports wagering. Chapter fourteen is a new chapter covering rules regarding Self Exclusion. All rules will assist in the regulation of the Nebraska Racetrack Gaming Act Neb. Rev. Stat. § 9-1101 thru 9-1209.

All rules will impact the Racing and Gaming Commission, The State of Nebraska, citizens of Nebraska, horseracing participants and authorized gaming operators.

2. *Describe changes being proposed to current policy and briefly provide rationale.*

These proposed rule changes will provide rules and regulation of sports wagering which must occur within licensed authorized gaming operator's facility located within racetrack enclosures. Additional rules need to be changed with the passage of LB876. Some rules correct typos, and updates language. Rules are a policy change as the voters of Nebraska have approved games of chance at racetrack enclosures. With the passage of these rules, authorized gaming operators will be allowed to offer sports wagering. The Commission will regulate this sports wagering.

B. Why is the rule necessary? Explain and provide an identification of specific authorizing statute(s) or legislative bill(s).

1. *Update of regulation (e.g., repeal of obsolete statutes, reflect current policy, editing or technical language changes, etc.)*

The rules are necessary to allow sports wagering to occur in the State of Nebraska. In addition, some rules need to be modified with the passage of LB876. Rules are being

changed to address editing and technical language changes. All rules assist with the regulation of the Nebraska Racetrack Gaming Act Rev. Stat. § 9-1101 thru 9-1209.

2. *Annual changes - (e.g., provider rate changes, hunting season schedules, etc.)*

No Annual changes

3. *Law was changed: federal or state (Cite authorizing statute(s) or legislative bill(s) and year of enactment)*

Change in state law. From LB561 and LB876 from the 107th Legislature.

4. *Extension of established policy or program, new initiatives or changes in policy (within existing statutory authority)*

These rules will extend the authority of the Commission to regulate sports wagering at racetrack enclosures.

5. *Constituent initiated changes*

None.

6. *Litigation requires change in regulation*

No litigation.

7. *Regulation changed to address legal or constitutional concerns of Attorney General's office*

No.

8. *Implements federal or legislative or judicial mandate*

Implementing legislative mandate with the passage of LB 561 and LB876.

9. *Other reasons (explain)*

C. What happens if these rules are not adopted?

If these rules are not adopted, the State of Nebraska will not have sports wagering. Not having sports wagering may impact property tax relief that sports wagering will generate. Our state will not see the economic development that sports wagering will bring to the State. In addition, the horseracing industry may cease to exist in the state thus hurting the state's agricultural industry.

D. Policy Checklist:

1. *Is this an update or editorial change reflecting essentially no change in policy?*

Yes.

2. *Does the policy in the proposed regulation reflect legislative intent?*

Yes.

3. *Is the policy proposed in the regulation a state mandate on local government?*

No mandate.

4. *Is the policy proposed in the regulation a federal mandate on local government? Is it funded?*

No mandate.

E. Fiscal Impact. In addition to completing the required Fiscal Impact Statement (a copy must be attached to this document), the agency must address the following:

1. *Will the proposed regulation reduce, increase, or have no change in resources - funds, personnel or FTE?*

The Commission does not believe this will have an impact on FTE.

2. *Have initial contacts been made with citizens or organizations that may be impacted by the proposed regulation?*

Yes, all racetracks and known gaming operators and vendors that are or will be operating in Nebraska have reviewed and commented on rules.

3. *Does the proposed regulation impact another agency?*

Yes, the Department of Revenue and the Gamblers Assistance Program. There may be additional agencies involved at a later time.

Explain the impact.

The Department of Revenue will be receiving the annual gaming tax from gaming operations. The Gamblers Assistance Program will receive 2.5 percent of the gaming tax for their program.

4. *Will the proposed regulation reduce, increase, or have no change on reporting requirements of businesses?*

There would be no change since there has been no reporting requirements in the past as this is a new industry to the State.

5. *What is the agency's best estimate of the additional or reduced spending? If there is none, please note. If receipt of federal funds is contingent upon approval of the proposed regulation, then indicate the amount and nature of the federal funds affected and enclose laws or correspondence from federal officials substantiating the information.*

No additional spending.

F. Unique problems or issues and recommendations.

None

G. Who is expected to be affected, or to oppose or support the proposed regulation? Explain what initial informal contacts have been made with organizations or citizens who may be affected by the regulation prior to the public hearing.

All racetracks and known gaming operators that are or will be operating in Nebraska have reviewed and commented on rules. They have had two opportunities to comment. Most, if not all of the concerns have been addressed in the final rule document.

H. Are these proposed rules a likely candidate for negotiated rulemaking? Explain. Has the process been completed? If so, explain how the issues were addressed.

This has not been done.

Director's Verification of Review

I have reviewed these proposals and verify that, at this stage of the regulation's development, these questions have been accurately addressed.

Signature: _____

Date: _____

9-14-2022