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Final Regulation Agency Background Document

Agency name	Virginia Racing Commission
Virginia Administrative Code (VAC) Chapter citation(s)	11VAC10-47-10, 11VAC10-47-20, 11VAC10-47-30, 11VAC10-47-40, 11VAC10-47-50, 11VAC10-47-60, 11VAC10-47-70, 11VAC10-47-80, 11VAC10-47-90, 11VAC10-47-100, 11VAC10-47-110, 11VAC10-47-120, 11VAC10-47-130, 11VAC10-47-140, 11VAC10-47-150, 11VAC10-47-160, 11VAC10-47-170, 11VAC10-47-180, 11VAC10-47-190, and 11VAC10-47-200
VAC Chapter title(s)	Regulations Pertaining to Horse Racing With Pari-Mutuel Wagering
Action title	To Promulgate Regulations Pertaining to Historical Horse Racing
Date this document prepared	July 10, 2020

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The purpose of the final action is to implement the provisions of Chapter 811 of the 2018 Acts of Assembly, which authorizes historical horse racing at facilities licensed by the Virginia Racing Commission. The proposed regulations will address the requirements for an entity licensed to conduct pari-mutuel wagering on historical horse racing, including (i) the location and hours of operation, (ii) types and specifications of the terminals to be utilized, (iii) accounting and auditing, (iv) permits required for licensee employees, (v) simulcast operations, (vi) annual reporting, and (vii) implementation by a licensee of a program to promote responsible gaming and the program's minimum requirements.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

None

Statement of Final Agency Action

Provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

On June 25, 2020, the Virginia Racing Commission adopted the final amendments to Chapter 47 (Historical Horse Racing) at its regular monthly meeting.

Mandate and Impetus

List all changes to the information reported on the Agency Background Document submitted for the previous stage regarding the mandate for this regulatory change, and any other impetus that specifically prompted its initiation. If there are no changes to previously reported information, include a specific statement to that effect.

Chapter 811 of the 2018 Virginia Acts of Assembly requires the Virginia Racing Commission to promulgate regulations to implement the provisions of the act to be effective within 180 days of its enactment.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

Chapter 811 of the 2018 Virginia Acts of Assembly requires the Virginia Racing Commission to promulgate regulations to implement the provisions of the act to be effective within 180 days of its enactment.

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it's intended to solve.

The Virginia Racing Commission must promulgate these regulations in order to ensure the integrity and proper oversight of Historical Horse Racing in the Commonwealth of Virginia.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

N/A – These are new regulations.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

These final regulations are not disadvantageous to private citizens or the Commonwealth.

Requirements More Restrictive than Federal

List all changes to the information reported on the Agency Background Document submitted for the previous stage regarding any requirement of the regulatory change which is more restrictive than applicable federal requirements. If there are no changes to previously reported information, include a specific statement to that effect.

There are not any applicable federal requirements relating to these final regulations.

Agencies, Localities, and Other Entities Particularly Affected

List all changes to the information reported on the Agency Background Document submitted for the previous stage regarding any other state agencies, localities, or other entities that are particularly affected by the regulatory change. If there are no changes to previously reported information, include a specific statement to that effect.

Other State Agencies Particularly Affected

The final regulations should not have a material effect on any other state agencies.

Localities Particularly Affected

The final regulations provide for the localities where historical horse racing takes place to receive a quarter of one percent of the amount wagered. At the present time, the amount that will be paid to each

qualifying locality is indeterminate, but it should greatly benefit those localities in the future with much needed additional revenue.

Other Entities Particularly Affected

The final regulations should not have a material effect on any other entities.

Public Comment

Summarize all comments received during the public comment period following the publication of the previous stage, and provide the agency response. Include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. If no comment was received, enter a specific statement to that effect.

There were no public comments received for the proposed stage.

Commenter	Comment	Agency response

Detail of Changes Made Since the Previous Stage

*List all changes made to the text since the previous stage was published in the Virginia Register of Regulations and the rationale for the changes. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. * Put an asterisk next to any substantive changes.*

Current chapter-section number	New chapter-section number, if applicable	New requirement from previous stage	Updated new requirement since previous stage	Change, intent, rationale, and likely impact of updated requirements
47-80	N/A	N/A	This section is amended to require that terminals installed in locations as of March 1, 2020 must not be by more than 40% from any single manufacturer.	This change was made due to a legislative mandate required by HB4 (Chapter 1197).
47-180	N/A	N/A	This section is being amended to spell out new requirements for additional terminals installed as a result of the language in HB4. These requirements include maximum number of terminals allowed and an increased tax rate to	This change was made due to a legislative mandate required by HB4 (Chapter 1197).

			the Commonwealth and localities.	
47-190	N/A	N/A	This section is being amended to spell out new requirements for additional terminals installed as a result of the language in HB4. This change requires the licensee to race one additional live day for every 100 new terminals installed as a result of the language in HB4.	This change was made due to a legislative mandate required by HB4 (Chapter 1197).

Detail of All Changes Proposed in this Regulatory Action

*List all changes proposed in this action and the rationale for the changes. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. * Put an asterisk next to any substantive changes.*

N/A – These are new regulations.

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of updated requirements