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## Proposed Regulation Agency Background Document

<b>Agency name</b>	Virginia Racing Commission
<b>Virginia Administrative Code (VAC) citation</b>	11 VAC 10-20-240
<b>Regulation title</b>	Transfer or acquisition of interest in owner's, owner-operator's or operators license
<b>Action title</b>	Amendment
<b>Document preparation date</b>	9/27/04

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*In a short paragraph, please summarize all substantive changes that are being proposed in this regulatory action.*

The amendments specify certain procedures for the transfer or acquisition of an interest in an existing owner's, owner-operator's or operator's license. In those cases, where the applicant has not sought the approval of the commission, it may take actions against the holder of the existing license.

## Legal basis

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.*

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The Virginia Racing Commission derives its statutory authority to promulgate regulations from the provisions of 59.1-369 of the Code of Virginia. The code states, in part, in subdivision 3, "The Commission shall promulgate regulations and conditions under which horse racing with pari-mutuel wagering shall be conducted in the Commonwealth, and all such other regulations it deems necessary and appropriate to effect the purposes of this chapter."

## Purpose

*Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal and the problems the proposal is intended to solve.*

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The purpose of the proposed action is to specify certain procedures for the transfer or acquisition of an interest in an existing owner's, owner-operator's or operator's license. It is in the interest of horse racing and breeding within the Commonwealth that licensed racetracks are operated with the highest quality. This has provided for the safe conduct of the sport within Virginia and has ensured the facilities are safe for the patrons who attend the races.

## Substance

*Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (More detail about these changes is requested in the "Detail of changes" section.)*

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The amendments specify certain procedures for the transfer or acquisition of an interest in an existing license. The changes are:

1. On the transfer of a race meet or meetings, the commission shall act within sixty days of receiving the request;
2. Any person acquiring actual control of an existing license shall apply to the commission for approval;
3. The Commission may demand such information of the applicant and shall approve or deny the request within sixty days;
4. For person acquiring actual control of an existing license, the applicant must provide the following:
  - a. A proposal for the future operation of the license;
  - b. Additional information provided by the applicant; and

- c. The applicant has the experience, expertise, financial responsibility and commitments to meet the requirements of the Act, regulations, contracts with horsemen, and any proposal submitted by the commission.
- 5. For those applicants who have not sought commission approval, it may take actions against the existing licensee.

**Issues**

*Please identify the issues associated with the proposed regulatory action, 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 the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.*

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The amendments to 11 VAC 10-20-240 will pose no disadvantages to the public or the Commonwealth.

**Economic impact**

*Please identify the anticipated economic impact of the proposed regulation.*

<b>Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source / fund detail, and (b) a delineation of one-time versus on-going expenditures</b>	None
<b>Projected cost of the regulation on localities</b>	None
<b>Description of the individuals, businesses or other entities likely to be affected by the regulation</b>	Individuals who desire to transfer or acquire an interest in an existing owner's, owner-operator's or operator's license
<b>Agency's best estimate of the number of such entities that will be affected</b>	Two or three
<b>Projected cost of the regulation for affected individuals, businesses, or other entities</b>	Cost would be nominal

**Alternatives**

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.

None noted

**Public comment**

Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response.

Commenter	Comment	Agency response
	None Received	

**Family impact**

Please assess the impact of the proposed regulatory action on the institution of the family and family stability.

The amendments to 11 VAC 10-20-240 will have no impact on the institution of the family and the family stability in the Commonwealth of Virginia.

**Detail of changes**

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail all new provisions and/or all changes to existing sections.

If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all changes between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.

For changes to existing regulations, use this chart:

1.

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
	Subsection D		The regulations set forth specific proposals for persons acquiring an interest in an existing license. In those cases, where the applicant has not sought the approval of the commission, it may take actions against an existing licensee.

2. No changes have been made since the publication of the emergency regulation.

Enter any other statement here