United States Code
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Section 3001. Congressional findings and policy

(a) The Congress finds that -
   (1) the States should have the primary responsibility for
determining what forms of gambling may legally take place within
their borders;
   (2) the Federal Government should prevent interference by one
State with the gambling policies of another, and should act to
protect identifiable national interests; and
   (3) in the limited area of interstate off-track wagering on
horseraces, there is a need for Federal action to ensure States
will continue to cooperate with one another in the acceptance of
legal interstate wagers.
(b) It is the policy of the Congress in this chapter to regulate
interstate commerce with respect to wagering on horseracing, in
order to further the horseracing and legal off-track betting
industries in the United States.

Section 3002. Definitions

For the purposes of this chapter the term -
   (1) "person" means any individual, association, partnership,
joint venture, corporation, State or political subdivision
thereof, department, agency, or instrumentality of a State or
political subdivision thereof, or any other organization or
entity;
   (2) "State" means each State of the United States, the
District of Columbia, the Commonwealth of Puerto Rico, and any
territory or possession of the United States;
(3) "interstate off-track wager" means a legal wager placed or accepted in one State with respect to the outcome of a horserace taking place in another State and includes pari-mutuel wagers, where lawful in each State involved, placed or transmitted by an individual in one State via telephone or other electronic media and accepted by an off-track betting system in the same or another State, as well as the combination of any pari-mutuel wagering pools;

(4) "on-track wager" means a wager with respect to the outcome of a horserace which is placed at the racetrack at which such horse-race takes place;

(5) "host State" means the State in which the horserace subject to the interstate wager takes place;

(6) "off-track State" means the State in which an interstate off-track wager is accepted;

(7) "off-track betting system" means any group which is in the business of accepting wagers on horseraces at locations other than the place where the horserace is run, which business is conducted by the State or licensed or otherwise permitted by State law;

(8) "off-track betting office" means any location within an off-track State at which off-track wagers are accepted;

(9) "host racing association" means any person who, pursuant to a license or other permission granted by the host State, conducts the horserace subject to the interstate wager;

(10) "host racing commission" means that person designated by State statute or, in the absence of statute, by regulation, with jurisdiction to regulate the conduct of racing within the host State;

(11) "off-track racing commission" means that person designated by State statute or, in the absence of statute, by regulation, with jurisdiction to regulate off-track betting in that State;

(12) "horsemen's group" means, with reference to the applicable host racing association, the group which represents the majority of owners and trainers racing there, for the races subject to the interstate off-track wager on any racing day;

(13) "parimutuel" means any system whereby wagers with respect to the outcome of a horserace are placed with, or in, a wagering pool conducted by a person licensed or otherwise permitted to do so under State law, and in which the participants
are wagering with each other and not against the operator;
(14) "currently operating tracks" means racing associations
conducting parimutuel horseracing at the same time of day
(afternoon against afternoon; nighttime against nighttime) as the
racing association conducting the horseracing which is the
subject of the interstate off-track wager;
(15) "race meeting" means those scheduled days during the
year a racing association is granted permission by the
appropriate State racing commission to conduct horseracing;
(16) "racing day" means a full program of races at a
specified racing association on a specified day;
(17) "special event" means the specific individual horserace
which is deemed by the off-track betting system to be of
sufficient national significance and interest to warrant
interstate off-track wagering on that event or events;
(18) "dark days" means those days when racing of the same
type does not occur in an off-track State within 60 miles of an
off-track betting office during a race meeting, including, but
not limited to, a dark weekday when such racing association or
associations run on Sunday, and days when a racing program is
scheduled but does not take place, or cannot be completed due to
weather, strikes and other factors not within the control of the
off-track betting system;
(19) "year" means calendar year;
(20) "takeout" means that portion of a wager which is
deducted from or not included in the parimutuel pool, and which
is distributed to persons other than those placing wagers;
(21) "regular contractual process" means those negotiations
by which the applicable horsemen's group and host racing
association reach agreements on issues regarding the conduct of
horseracing by the horsemen's group at that racing association;
(22) "terms and conditions" includes, but is not limited to,
the percentage which is paid by the off-track betting system to
the host racing association, the percentage which is paid by the
host racing association to the horsemen's group, as well as any
arrangements as to the exclusivity between the host racing
association and the off-track betting system.

Section 3003. Acceptance of interstate off-track wager

No person may accept an interstate off-track wager except as
provided in this chapter.

Section 3004. Regulation of interstate off-track wagering

(a) Consent of host racing association, host racing commission, and
off-track racing commission as prerequisite to acceptance of
wager
An interstate off-track wager may be accepted by an off-track
betting system only if consent is obtained from -
(1) the host racing association, except that -
   (A) as a condition precedent to such consent, said racing
association (except a not-for-profit racing association in a
State where the distribution of off-track betting revenues in
that State is set forth by law) must have a written agreement
with the horsemen's group, under which said racing association
may give such consent, setting forth the terms and conditions
relating thereto; provided,
   (B) that where the host racing association has a contract
with a horsemen's group at the time of enactment of this
chapter which contains no provisions referring to interstate
off-track betting, the terms and conditions of said
then-existing contract shall be deemed to apply to the
interstate off-track wagers and no additional written agreement
need be entered into unless the parties to such then-existing
contract agree otherwise. Where such provisions exist in such
existing contract, such contract shall govern. Where written
consents exist at the time of enactment of this chapter between
an off-track betting system and the host racing association
providing for interstate off-track wagers, or such written
consents are executed by these parties prior to the expiration
of such then-existing contract, upon the expiration of such
then-existing contract the written agreement of such horsemen's
group shall thereafter be required as such condition precedent
and as a part of the regular contractual process, and may not
be withdrawn or varied except in the regular contractual
process. Where no such written consent exists, and where such
written agreement occurs at a racing association which has a
regular contractual process with such horsemen's group, said
agreement by the horsemen's group may not be withdrawn or
varied except in the regular contractual process;
(2) the host racing commission;
(3) the off-track racing commission.

(b) Approval of tracks as prerequisite to acceptance of wager; exceptions

(1) In addition to the requirement of subsection (a) of this section, any off-track betting office shall obtain the approval of

- (A) all currently operating tracks within 60 miles of such off-track betting office; and
- (B) if there are no currently operating tracks within 60 miles then the closest currently operating track in an adjoining State.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, any off-track betting office in a State with at least 250 days of on-track parimutuel horseracing a year, may accept interstate off-track wagers for a total of 60 racing days and 25 special events a year without the approval required by paragraph (1), if with respect to such 60 racing days, there is no racing of the same type at the same time of day being conducted within the off-track betting State within 60 miles of the off-track betting office accepting the wager, or such racing program cannot be completed. Excluded from such 60 days and from the consent required by subsection (b)(1) of this section may be dark days which occur during a regularly scheduled race meeting in said off-track betting State. In order to accept any interstate off-track wager under the terms of the preceding sentence the off-track betting office shall make identical offers to any racing association described in subparagraph (A) of subsection (b)(1) of this section. Nothing in this subparagraph shall be construed to reduce or eliminate the necessity of obtaining all the approvals required by subsection (a) of this section.

(c) Takeout amount

No parimutuel off-track betting system may employ a takeout for an interstate wager which is greater than the takeout for corresponding wagering pools of off-track wagers on races run within the off-track State except where such greater takeout is authorized by State law in the off-track State.

Section 3005. Liability and damages

Any person accepting any interstate off-track wager in violation of this chapter shall be civilly liable for damages to the host
State, the host racing association and the horsemen's group. Damages for each violation shall be based on the total of off-track wagers as follows:

(1) If the interstate off-track wager was of a type accepted at the host racing association, damages shall be in an amount equal to that portion of the takeout which would have been distributed to the host State, host racing association and the horsemen's group, as if each such interstate off-track wager had been placed at the host racing association.

(2) If such interstate off-track wager was of a type not accepted at the host racing association, the amount of damages shall be determined at the rate of takeout prevailing at the off-track betting system for that type of wager and shall be distributed according to the same formulas as in paragraph (1) above.

Section 3006. Civil action

(a) Parties; remedies
The host State, the host racing association, or the horsemen's group may commence a civil action against any person alleged to be in violation of this chapter, for injunctive relief to restrain violations and for damages in accordance with section 3005 of this title.

(b) Intervention
In any civil action under this section, the host State, the host racing association and horsemen's group, if not a party, shall be permitted to intervene as a matter of right.

(c) Limitations
A civil action may not be commenced pursuant to this section more than 3 years after the discovery of the alleged violation upon which such civil action is based.

(d) State as defendant
Nothing in this chapter shall be construed to permit a State to be sued under this section other than in accordance with its applicable laws.

Section 3007. Jurisdiction and venue

(a) District court jurisdiction
Notwithstanding any other provision of law, the district courts
of the United States shall have jurisdiction over any civil action under this chapter, without regard to the citizenship of the parties or the amount in controversy.  

(b) Venue; service of process  
A civil action under this chapter may be brought in any district court of the United States for a district located in the host State or the off-track State, and all process in any such civil action may be served in any judicial district of the United States.  

(c) Concurrent State court jurisdiction  
The jurisdiction of the district courts of the United States pursuant to this section shall be concurrent with that of any State court of competent jurisdiction located in the host State or the off-track State.  

Section 3007 - Notes  
SOURCE  