

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 198

BY: HOBSON of the SENATE

and

GLOVER of the HOUSE

COMMITTEE SUBSTITUTE AN ACT RELATING TO AMUSEMENTS AND SPORTS;  
AMENDING 3A O.S. 1991, SECTIONS 205.6 AND 208.3, WHICH RELATE TO  
DISTRIBUTION OF PROCEEDS FROM PARI-MUTUEL WAGERING AND THE OKLAHOMA  
BREEDING DEVELOPMENT FUND SPECIAL ACCOUNT; MODIFYING DISTRIBUTION OF  
PROCEEDS FROM PARI-MUTUEL WAGERING; SETTING TIME LIMITATION FOR  
DISTRIBUTION CHANGE; SPECIFYING MONIES TO BE DEPOSITED IN THE  
OKLAHOMA BREEDING DEVELOPMENT FUND SPECIAL ACCOUNT; PROVIDING AN  
EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 23, Chapter 11, O.S.L.  
1983, as last amended by Section 4, Chapter 275, O.S.L. 1990 (3A  
O.S. Supp. 1990, Section 205.6), is amended to read as follows:

Section 205.6 A. Any organization licensee conducting a race  
meeting may provide places on the race meeting grounds at which it  
may conduct and supervise the pari-mutuel system of wagering on the  
horse races conducted by the organization licensee at the race  
meeting. No other place or method of betting, pool making,  
wagering, or gambling shall be used or permitted by the organization  
licensee. The pari-mutuel system of wagering shall be permitted

only on horse races conducted at a racetrack where such pari-mutuel system of wagering is authorized pursuant to the provisions of the Oklahoma Horse Racing Act.

B. Except as provided in subsection E of this section, each organization licensee that holds a race meeting at which the pari-mutuel system of wagering is conducted shall retain an amount equal to eighteen percent (18%) of all money wagered, to be distributed as follows:

1. The first One Hundred Million Dollars (\$100,000,000.00) wagered per calendar year for each type of racing shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

- a. One-ninth ( $1/9$ ) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and
- b. Five-ninths ( $5/9$ ) of the eighteen percent (18%) shall be retained by the organization licensee; and
- c. One-third ( $1/3$ ) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses.

2. All money wagered per calendar year for each type of racing in excess of One Hundred Million Dollars (\$100,000,000.00) but not

to exceed One Hundred Fifty Million Dollars (\$150,000,000.00) shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

a. Until July 1, 1995:

- (1) One-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and
- (2) Four-ninths (4/9) of the eighteen percent (18%) shall be retained by the organization licensee; and
- (3) One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses; and
- (4) One-ninth (1/9) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as follows:
  - (a) seventy-five percent (75%) as purses for participating horses, and
  - (b) twenty-five percent (25%) shall be remitted to the Commission, at such intervals as

required by the Commission, for deposit in  
the Oklahoma Breeding Development Fund  
Special Account.

b. Beginning July 1, 1995:

- ~~a.~~ (1) Two-ninths (2/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and
- ~~b.~~ (2) Four-ninths (4/9) of the eighteen percent (18%) shall be retained by the organization licensee; and
- ~~c.~~ (3) One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses.

3. All money wagered per calendar year for each type of racing in excess of One Hundred Fifty Million Dollars (\$150,000,000.00) shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

a. Until July 1, 1995:

- (1) One-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and
- (2) One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee; and
- (3) One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses; and
- (4) Two-ninths (2/9) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as follows:
  - (a) seventy-five percent (75%) as purses for participating horses, and
  - (b) twenty-five percent (25%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account.

b. Beginning July 1, 1995:

- a. (1) One-third (1/3) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on

which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and

~~b.~~ (2) One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee; and

~~c.~~ (3) One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses.

C. ~~Notwithstanding~~ Beginning July 1, 1995, notwithstanding any other provisions of this act, the state shall collect six percent (6%) of the total amount wagered under the provisions of this act at such time the organization licensee has no further debt service.

D. In addition to the amount required to be retained by the provisions of subsection B of this section, each organization licensee holding a race meeting at which the pari-mutuel system of wagering is conducted shall retain an additional amount equal to two percent (2%) of all money wagered on a daily double, quinella, or exacta. ~~Such~~

1. Until July 1, 1995, such amount shall be retained by the organization licensee to be distributed as follows:

- a. Seventy-five percent (75%) as purses for participating horses, and
- b. Twenty-five percent (25%) shall be remitted to the Commission, at such intervals or required by the

Commission, for deposit in the Oklahoma Breeding  
Development Fund Special Account.

2. Beginning July 1, 1995, such amount shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. The revenue derived from the provisions of this subsection paragraph shall be paid monthly by the Oklahoma Tax Commission to the State Treasurer to be deposited to the credit of the General Revenue Fund of the State Treasury.

E. Each 1. Until July 1, 1995, each organization licensee shall retain an amount equal to twenty-five percent (25%) of all money wagered on pick six wagers, to be distributed as follows:

- a. Two twenty-fifths (2/25) of the twenty-five percent (25%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. The revenue shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and
- b. Two-fifths (2/5) of the twenty-five percent (25%) shall be retained by the organization licensee; and
- c. Eight twenty-fifths (8/25) of the twenty-five percent (25%) shall be retained by the organization licensee to be distributed as purses for participating horses; and
- d. One-fifth (1/5) of the twenty-five percent (25%) shall be retained by the organization licensee to be distributed as follows:
  - (1) Seventy-five percent (75%) as purses for participating horses; and

(2) Twenty-five percent (25%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account.

2. Beginning July 1, 1995, each organization licensee shall retain an amount equal to twenty-five percent (25%) of all money wagered on pick six wagers, to be distributed as follows:

- ~~1.~~ a. Seven twenty-fifths (7/25) of the twenty-five percent (25%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. The revenue shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and
- ~~2.~~ b. Two-fifths (2/5) of the twenty-five percent (25%) shall be retained by the organization licensee; and
- ~~3.~~ c. Eight twenty-fifths (8/25) of the twenty-five percent (25%) shall be retained by the organization licensee to be distributed as purses for participating horses.

F. Organization licensees shall keep accurate books and records of all moneys wagered on each day of a race meeting and of the taxes paid pursuant to the provisions of this section. The Oklahoma Tax Commission or an authorized representative shall have access at all reasonable times to such records for the purpose of examining and checking the records and ascertaining whether the proper amount of taxes is being paid. The Oklahoma Tax Commission shall require verified reports and a statement of the total of all moneys wagered daily at a race meeting and may prescribe forms upon which such reports and statement shall be made. The organization licensee shall provide the Oklahoma Tax Commission with such space and accommodations as may be necessary for the Oklahoma Tax Commission

to implement its duties pursuant to the provisions of the Oklahoma Horse Racing Act.

G. No revenue bonds issued by a public trust, as authorized by the provisions of Title 62 of the Oklahoma Statutes, shall be used to finance any racetrack or racing facility.

SECTION 2. AMENDATORY 3A O.S. 1991, Section 208.3, is amended to read as follows:

Section 208.3 A. There is hereby created in the State Treasury an agency special account for the Oklahoma Horse Racing Commission, to be designated the "Oklahoma Breeding Development Fund Special Account". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission, for deposit in the fund pursuant to Section 205.6 of this title and from revenue received as breakage and from unclaimed pari-mutuel tickets. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Commission for the purposes specified in subsection B of this section. Expenditures from said fund shall be made upon vouchers prescribed by the State Treasurer and issued by the Commission against the Oklahoma Breeding Development Fund Special Account. Any person entitled to monies from the Oklahoma Breeding Development Fund Special Account as a purse supplement, stake, reward, or award, prior to receiving said monies, shall sign an affidavit stating that the horse involved complies with the requirements for the purse supplement, stake, reward, or award.

B. No monies shall be expended by the Commission from the Oklahoma Breeding Development Fund Special Account except for any of the following purposes:

1. To provide purse supplements to owners of Oklahoma-bred horses;

2. To provide stakes and rewards to be paid to the owners of the winning Oklahoma-bred horses in certain horse races;

3. To provide stallion awards to the owner of the Oklahoma stallion which is the sire of an Oklahoma-bred horse if such a horse wins any race conducted at a race meeting. Such award shall not be paid to the owner of an Oklahoma stallion that served outside this state at any time during the calendar year in which the winning Oklahoma-bred horse was conceived;

4. To provide breeders awards to the owner of the Oklahoma-registered mare which is the dam of an Oklahoma-bred horse if such a horse wins any race conducted at a race meeting; and

5. To provide monies for equine research through state institutions accredited for the same.

C. By rule and regulation the Commission shall:

1. Define the term Oklahoma-bred horse;

2. Qualify stallions for participation in Oklahoma-bred stallion awards. Such stallion must not stand for service at any place outside Oklahoma during the calendar year in which the foal is conceived;

3. Provide for the registration of Oklahoma-domiciled mares and stallions and Oklahoma-bred horses. No such horse shall compete in the races limited to Oklahoma-bred horses unless registered with the Commission. The Commission may prescribe such forms as are necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals which contains false information; and

4. Establish a schedule of fees for the registration of Oklahoma-domiciled mares and stallions and Oklahoma-bred horses sufficient to provide for all expenses incurred in the administration of the Oklahoma Breeding Development Fund Special Account.

D. The Commission may contract with and designate an official registering agency to implement the registration of horses and the payment of awards from the Oklahoma Breeding Development Fund

Special Account. The official registering agency shall operate under the supervision of the Commission and be subject to the rules and regulations of the Commission. The official registering agency shall receive no compensation except fees received for registration of horses.

E. The State Auditor and Inspector shall audit the Oklahoma Breeding Development Fund Special Account on an annual basis. The expense of the audit shall be paid from said Special Account.

SECTION 3. This act shall become effective July 1, 1992.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

43-2-8585

SCE