

SHORT TITLE: Amusements and sports; creating the Oklahoma Sports and Gaming Commission; abolishing the Oklahoma Horse Racing Commission; effective date.

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

SENATE BILL NO. 582

By: Long (Lewis) of the Senate

and

Taylor of the House

AS INTRODUCED

An Act relating to amusements and sports; amending 3A O.S. 1991, Sections 200, 200.1 and 201, as amended by Sections 14 and 3, Chapter 364, O.S.L. 1992, 203.3, Section 1, Chapter 16, O.S.L. 1992, 204, as last amended by Section 17, Chapter 355, O.S.L. 1993, 204.1B, 204.2, as amended by Section 4, Chapter 16, O.S.L. 1992, 205.7, as amended by Section 1, Chapter 160, O.S.L. 1993, 205.8, 208.3, as last amended by Section 1, Chapter 360, O.S.L. 1993, Section 30, Chapter 270, O.S.L. 1993, Section 1, Chapter 85, O.S.L. 1993 (3A O.S. Supp. 1993, Sections 200.1, 201, 203.8, 204, 204.2, 205.7, 208.3, 208.3a and 208.11), which relate to the regulation of pari-mutuel horse racing; amending Section 2, Chapter 328, O.S.L. 1992, Sections 3, 4, 6, 8, 12, 16, 20, 23, 27 and 28, Chapter 328, O.S.L. 1992, as amended by Sections 3, 4, 5, 6, 7, 9, 11, 12, 14 and 15, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Sections 401, 402, 403, 405, 407, 411, 415, 419, 422, 426 and 427), which relate to the regulation of bingo; creating the Oklahoma Sports and Gaming Commission; providing for election and appointment of members, terms of office and vacancies; providing for meetings,

compliance with Oklahoma Open Meeting Act and the Oklahoma Open Records Act, election of officers, quorum and voting requirements, legal counsel, salary and conflicts of interest of members; stating powers and duties of Commission and authorizing promulgation of rules; clarifying effect of certain rules, regulations, orders and actions; providing for appointment of executive director, administrative organizational plan and certain surety bond; providing for deposit of certain monies and appropriation to the Commission; authorizing levy of special assessment under certain conditions; clarifying statutory reference; modifying definitions; abolishing Oklahoma Horse Racing Commission on certain date and providing for transfer of powers, duties, responsibilities, property, personnel, assets, liabilities, fund balances, encumbrances and obligations; vesting Oklahoma Sports and Gaming Commission with certain duty and authority; conforming language; repealing 3A O.S. 1991, Section 203, which relates to meetings and officers of the Oklahoma Horse Racing Commission; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 101 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Oklahoma Sports and Gaming Commission which shall consist of seven (7) members. Six members shall be elected, one from each congressional district of this state. Each such member shall be a resident of the district from which the member is elected. One member shall be appointed at large by the Governor with the advice and consent of the Senate. No member shall have a financial interest in any of the sports and gaming regulated by the Commission.

B. Members initially elected to the Commission shall be elected at the first special statewide election or General Election held after July 1, 1994, and shall serve as follows:

1. Members elected from congressional districts one, three and five shall serve for a term of office expiring on November 4, 2000; and

2. Members elected from congressional districts two, four and six shall serve for a term of office expiring on November 3, 1998.

Thereafter, members shall be elected for a term of office of four (4) years and may succeed themselves.

C. The member appointed by the Governor shall serve at the pleasure of the Governor.

D. A vacancy on the Commission for a member elected from a congressional district shall be filled for the unexpired term by appointment of a resident of the district made by the Governor with the advice and consent of the Senate.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 102 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Sports and Gaming Commission shall meet at such times and places within this state as the Commission determines. The proceedings of all meetings of the Commission shall comply with the provisions of the Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes, and the Oklahoma Open Records

Act, Section 24A.1 et seq. of Title 51 of the Oklahoma Statutes. The Commission shall be subject to the provisions of the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes.

B. The members of the Commission shall annually elect a chairman, vice-chairman, and secretary from the membership of the Commission. No member of the Commission shall serve more than two (2) successive terms as chairman. A majority of the members shall constitute a quorum. Official action of the Commission shall be taken by an affirmative vote of the majority of the members present and voting; provided, the member appointed by the Governor shall only vote in the case of a tie vote of the elected members.

C. The Attorney General shall advise the Commission and represent it in all legal proceedings or actions resulting from the exercise of the powers and duties of the Commission; however, nothing in this section shall be construed to prohibit the Commission from engaging private counsel if they deem it necessary to protect the integrity of the sports and gaming industry in this state.

D. Each member of the Commission shall receive an annual salary of Forty-two Thousand One Hundred Forty Dollars (\$42,140.00).

E. No member of the Commission shall accept any compensation, contribution or anything of value, as such terms are defined in the Ethics Commission Act, Section 4200 et seq. of Title 74 of the Oklahoma Statutes, from any person licensed by or subject to licensure by the Commission and shall comply with all provisions of the Ethics Commission Act.

F. The Commission shall have the power, as provided by law, to regulate horse racing, bingo, the lottery and such other sports and gaming in this state as authorized by the Legislature. The Commission shall promulgate rules to effectuate its power.

1. In addition to any rules promulgated by the Oklahoma Sports and Gaming Commission, the rules and regulations promulgated by the Oklahoma Horse Racing Commission prior to the effective date of this act shall be the rules and regulations of the Oklahoma Sports and Gaming Commission and shall continue in effect until such rules and regulations are amended or repealed by rules promulgated by the Oklahoma Sports and Gaming Commission. Any order or action taken by the Oklahoma Horse Racing Commission pursuant to such rules prior to the effective date of this act shall be considered valid and in effect unless rescinded by the Oklahoma Sports and Gaming Commission.

2. In addition to any rules promulgated by the Oklahoma Sports and Gaming Commission, the rules and regulations promulgated by the Alcoholic Beverage Laws Enforcement (ABLE) Commission prior to the effective date of this act for the purpose of implementing Section 401 et seq. of Title 3A of the Oklahoma Statutes shall be the rules and regulations of the Oklahoma Sports and Gaming Commission and shall continue in effect until such rules and regulations are amended or repealed by rules promulgated by the Oklahoma Sports and Gaming Commission. Any order or action taken by the ABLE Commission pursuant to such rules prior to the effective date of this act shall be considered valid and in effect unless rescinded by the Oklahoma Sports and Gaming Commission.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 103 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Sports and Gaming Commission shall appoint an executive director and shall determine the duties and compensation of the executive director.

B. The executive director shall recommend to the Commission the administrative organization and the number and qualifications of employees necessary to regulate the sports and gaming industries of

this state as provided by law. A written equal opportunity plan will be developed for the Commission by the executive director as part of the organizational plan. Upon approval of the organizational plan by the Commission, the executive director may employ such persons as are deemed necessary by the Commission.

C. The executive director shall obtain a surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00) before entering into the duties of the office. The surety bond shall be conditioned upon the faithful performance of the duties of the executive director and the proper accounting of all monies and property received by the executive director by virtue of the office. The cost of the surety bond shall be paid by the Commission.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 104 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. All monies received by the Oklahoma Sports and Gaming Commission, including, but not limited to, license fees, fines, reimbursements, sale of materials and any special assessments shall be deposited to the credit of the General Revenue Fund of the State Treasury, unless otherwise provided by law, for direct appropriation by the Legislature.

B. The Commission may levy a special assessment, as provided for by the Legislature, on each of the sports and gaming industries it regulates in order to provide funding for the Commission.

SECTION 5. AMENDATORY 3A O.S. 1991, Section 200, is amended to read as follows:

Section 200. ~~Sections 1 through 35 of this act and Section 209 of Title 3A of the Oklahoma Statutes~~ Section 200 et seq. of this title shall be known and may be cited as the "Oklahoma Horse Racing Act".

SECTION 6. AMENDATORY 3A O.S. 1991, Section 200.1, as amended by Section 14, Chapter 364, O.S.L. 1992 (3A O.S. Supp. 1993, Section 200.1), is amended to read as follows:

Section 200.1 A. As used in the Oklahoma Horse Racing Act:

1. "Commission" means the Oklahoma ~~Horse Racing~~ Sports and Gaming Commission;

2. "Enclosure" means all areas of the property of an organization licensee to which admission can be obtained only by payment of an admission fee or upon presentation of proper credentials and all parking areas designed to serve the facility which are owned or leased by the organization licensee;

3. "Family" means husband, wife, and any dependent children;

4. "Financial interest" means an interest that could result in directly or indirectly receiving a pecuniary gain or sustaining a pecuniary loss as a result of ownership or interest in a business entity, or as a result of salary, gratuity, or other compensation or remuneration from any person;

5. "Horse racing" means any type of horse racing, including but not limited to Arabian, Appaloosa, Paint, Pinto, Quarter Horse, and Thoroughbred horse racing.

a. "Arabian horse racing" means the form of horse racing in which each participating horse is an Arabian horse registered with the Arabian Horse Club Registry of America and approved by the Arabian Horse Racing Association of America or any successor organization, mounted by a jockey, and engaged in races on the flat over a distance of not less than one-quarter (1/4) mile or more than four (4) miles.

b. "Appaloosa horse racing" means the form of horse racing in which each participating horse is an Appaloosa horse registered with the Appaloosa Horse

Club or any successor organization and mounted by a jockey.

- c. "Quarter Horse racing" means the form of horse racing where each participating horse is a Quarter Horse registered with the American Quarter Horse Association or any successor organization, mounted by a jockey, and engaged in a race on the flat.
- d. "Paint horse racing" means the form of horse racing in which each participating horse is a Paint horse registered with the American Paint Horse Association or any successor organization and mounted by a jockey.
- e. "Pinto horse racing" means the form of horse racing in which each participating horse is a Pinto horse registered with the Pinto Horse Association of America, Inc. or any successor organization and mounted by a jockey.
- f. "Thoroughbred horse racing" means the form of horse racing in which each participating horse is a Thoroughbred horse registered with the Jockey Club or any successor organization, mounted by a jockey, and engaged in races on the flat;

6. "Minor" means any individual under eighteen (18) years of age;

7. "Minus pool" means a pari-mutuel pool in which, after deducting the take-out, not enough money remains in the pool to pay the legally prescribed minimum return to those placing winning wagers, and in which the organization licensee would be required to pay the remaining amount due;

8. "Occupation licensee" means any person who has obtained an occupation license;

9. "Organization licensee" means any person receiving an organization license;

10. "Pari-mutuel system of wagering" means a form of wagering on the outcome of horse races in which those who wager purchase tickets of various denominations on a horse or horses and all wagers for each race are pooled and held by the organization licensee for distribution. The pari-mutuel system of wagering uses an electric totalizator or similar equipment which automatically registers the wagers made on each horse and prints and issues a ticket representing each wager;

11. "Pari-mutuel pool" means the total money wagered by individuals on any horse or horses in a particular horse race to win, place, or show and held by the organization licensee pursuant to the pari-mutuel system of wagering. There is a separate pari-mutuel pool for win, for place, for show, and for each multiple combination of betting approved by the ~~Oklahoma Horse Racing~~ Commission;

12. "Person" means any individual, partnership, corporation, or other association or entity; and

13. "Race meeting" means the entire period of time not to exceed twenty (20) calendar days separating any race days for which an organization license has been granted to a person by the Commission to hold horse races at which the pari-mutuel system of wagering is conducted, to hold non-pari-mutuel horse races or to conduct accredited work or training races.

B. The Commission may define by rule or regulation any term which is not defined in the Oklahoma Horse Racing Act.

SECTION 7. AMENDATORY 3A O.S. 1991, Section 201, as amended by Section 3, Chapter 364, O.S.L. 1992 (3A O.S. Supp. 1993, Section 201), is amended to read as follows:

Section 201. A. There is hereby created the Oklahoma Horse Racing Commission, which shall consist of seven (7) members appointed by the Governor with the advice and consent of the Senate. One member shall be appointed from each congressional district, and

one member who shall be experienced in the horse industry shall be appointed at large.

B. To be eligible for appointment to the Commission, a person shall:

1. be a citizen of the United States; and

2. have been a resident of this state for five (5) years immediately preceding the appointment; and

3. not have been convicted of a felony pursuant to the laws of this state, the laws of any other state, or the laws of the United States.

C. The initial terms of office of:

1. three members shall expire on June 30, 1985; and

2. two members shall expire on June 30, 1987; and

3. two members shall expire on June 30, 1989.

Thereafter, the term of office of a member of the Commission shall be for six (6) years and until a successor is appointed and qualified.

D. The Governor may remove any member of the Commission for incompetence, neglect of duty, or malfeasance in office upon first giving the member a copy of the charges and an opportunity to be heard. A vacancy on the Commission shall be filled for the unexpired term by appointment made by the Governor.

E. The Oklahoma Horse Racing Commission is hereby abolished on the effective date of this act. All powers, duties, responsibilities, property, personnel, assets, liabilities, fund balances, encumbrances and obligations of the Oklahoma Horse Racing Commission are hereby transferred to the Oklahoma Sports and Gaming Commission, as created by Section 1 of this act. All references made in the Oklahoma Statutes, and rules promulgated pursuant thereto, to the Oklahoma Horse Racing Commission shall mean the Oklahoma Sports and Gaming Commission.

F. The Oklahoma Sports and Gaming Commission is hereby vested with the duty and authority of enforcing and administering the provisions of Section 200 et seq. of this title.

SECTION 8. AMENDATORY 3A O.S. 1991, Section 203.3, is amended to read as follows:

~~Section 203.3 A. The Commission shall appoint an executive director who shall have the same qualifications as a member of the Commission. The qualification regarding the residency requirement for Commission members shall not apply to the executive director. The executive director shall have experience in the horse racing industry of a character and for a length of time sufficient, in the opinion of the Commission, to fulfill the duties required of the executive director. The Commission shall determine the duties and compensation of the executive director.~~

~~B. The executive director shall recommend to the Commission the administrative organization and the number and qualifications of employees necessary without regard to race, color, gender, creed or national origin, to implement the provisions of the Oklahoma Horse Racing Act. A written equal opportunity plan will be developed for the Commission, by the executive director as part of the organizational plan. Upon approval of the organizational plan by the Commission, the executive director may employ such persons as are deemed necessary to implement the provisions of the Oklahoma Horse Racing Act.~~

~~C. 1.~~ The organizational plan adopted by the Oklahoma Sports and Gaming Commission pursuant to Section 3 of this act shall provide for a law enforcement division which shall have the responsibility for conducting investigations relating to the proper conduct of horse racing and the pari-mutuel system of wagering including but not limited to barring undesirables from horse racing, undercover investigations, fingerprinting persons licensed by the Commission, and reviewing license applications. The person in

charge of the law enforcement division shall be a professional law enforcement officer with a minimum of five (5) years of experience in the field of law enforcement and a graduate of a four-year college with a degree in law enforcement administration, law, criminology or a related science, or in lieu thereof a minimum of ten (10) years of experience in the field of law enforcement.

~~2.~~ B. The officers and agents of the law enforcement division of the Commission, and such other employees as the person in charge of said division shall designate to perform duties in the investigation and prevention of crime and the enforcement of the criminal laws of the state, shall have and exercise all the powers and authority of peace officers, including the right and power of search and seizure.

~~3.~~ C. The Oklahoma State Bureau of Investigation shall provide such information within its possession as is requested by the law enforcement division of the Commission for the purpose of reviewing license applications.

~~4.~~ D. If upon investigation by the Commission there is substantial evidence indicating that the security at any track is not satisfactory, the Commission may order the organization licensee to remedy the deficiency. If after ten (10) days following the order the organization licensee has not remedied the deficiency, the Commission may institute its own security personnel program until the deficiency in security is remedied, and may charge the organization licensee the actual costs incurred for said security. The organization licensee may petition the Commission for a hearing at any time to review the necessity of the Commission further maintaining its own security personnel.

~~5.~~ E. The provisions of this subsection shall not be construed to restrict or prohibit any federal, state, or local law enforcement officer from performing any duties imposed upon the law enforcement officer by law.

~~D. The executive director shall obtain a surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00) before entering into the duties of the office. The surety bond shall be conditioned upon the faithful performance of the duties of the executive director and the proper accounting of all moneys and property received by the executive director by virtue of the office. The cost of the surety bond shall be paid by the Commission.~~

SECTION 9. AMENDATORY Section 1, Chapter 16, O.S.L. 1992 (3A O.S. Supp. 1993, Section 203.8), is amended to read as follows:

Section 203.8 Any non-pari-mutuel track, coming within the provisions of ~~this act~~ Section 200 et seq. of this title, shall pay, within thirty (30) days, any claims submitted by the Oklahoma ~~Horse Racing~~ Sports and Gaming Commission, to reimburse the Commission for any verified expenses incurred in administering this act. If such claims are not paid within the thirty-day period, the Commission may take such action as specified in subsection J of Section 205.2 of ~~Title 3A of the Oklahoma Statutes~~ this title.

SECTION 10. AMENDATORY 3A O.S. 1991, Section 204, as last amended by Section 17, Chapter 355, O.S.L. 1993 (3A O.S. Supp. 1993, Section 204), is amended to read as follows:

Section 204. A. The Oklahoma ~~Horse Racing~~ Sports and Gaming Commission shall:

1. Have supervision of:

- a. all race meetings held in this state; provided, for non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks jurisdiction of the Commission shall be limited to a period of time beginning twelve (12) hours before the commencement of the first race on a race day and ending four (4) hours after the finish of the last race on a race day,
- b. all occupation and organization licensees in this state, and

c. all persons on the property of an organization licensee; provided, for non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks supervision of such persons shall be limited to the period set out in subparagraph a of this paragraph;

2. Have the authority to promulgate rules and regulations for the purpose of administering the provisions of the Oklahoma Horse Racing Act;

3. Administer and enforce the provisions of the Oklahoma Horse Racing Act and the rules and regulations of the Commission;

4. Adjudicate controversies arising from the enforcement of the provisions of the Oklahoma Horse Racing Act and the rules and regulations of the Commission;

5. Allocate racing days of not to exceed six (6) days per calendar week, dates, and hours which are in the best interests of the people of this state to organization licensees;

6. Promulgate rules and regulations for the granting or refusing and the suspension or revoking of licenses;

7. Promulgate rules and regulations for the holding, conducting, and operating of all race meetings held in this state; provided, the rules of the American Quarter Horse Association for regulation of the holding, conducting and operating of non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks shall serve as the rules for the holding, conducting and operating of non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks, except that appeals from decisions of the stewards shall be to the Commission, until such time as the Commission has promulgated substantially similar rules for regulation of the holding, conducting and operating of non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks;

8. Have supervision and control of the pari-mutuel machines and all other equipment at all race meetings held in this state;

9. Check the making of pari-mutuel pools and the distribution of such pools and be authorized to contract with the Office of the State Auditor and Inspector to cause the places where race meetings are held to be inspected at reasonable intervals;

10. Promulgate rules and regulations governing:

- a. bids on leases, and
- b. the rate charged by an organization licensee for admission to races, and
- c. the rate charged for the performance of any service or for the sale of any article on the premises of an organization licensee;

11. Approve all contracts and agreements for the payment of money and all salaries, fees, and compensations by any organization licensee;

12. Have the authority to exclude, or compel the exclusion, from any race meeting:

- a. any person who violates the provisions of any rule, regulation, or order of the Commission or any law of this state, any other state, or the United States, or
- b. any person who has been previously convicted of violating any law of this state, any other state, or the United States, or
- c. any other person, licensed or unlicensed, whose conduct or reputation is such that his presence at the race meeting may, in the opinion of the Commission reflect on the honesty and integrity of horse racing or interfere with the orderly conduct of the race meeting. No person shall be excluded or ejected from a race meeting solely on the grounds of race, color, creed, sex, national origin, or ancestry;

13. Have investigatory powers and authority to place attendants and such other persons as may be deemed necessary by the Commission in the offices, on the tracks, or in places of business of any organization licensee for the purpose of determining whether an organization or occupation licensee is complying with the provisions of the Oklahoma Horse Racing Act and the rules and regulations of the Commission;

14. Have authority to acquire or contract with, or establish, maintain, and operate testing laboratories and related facilities for the purpose of conducting:

- a. human substance abuse testing on occupation licensees who may affect the outcome of race results. Human substance abuse tests and the laboratories performing such tests must meet the nationally recognized standards specified in the Mandatory Guidelines for Federal Workplace Drug Testing Programs adopted by the United States Department of Health and Human Services. The Commission may require any occupation licensee to submit to a human substance abuse test if the Commission has probable cause to believe that such licensee is possessing or using any controlled dangerous substance or any other drug in violation of any federal or state law. Provided, on and after July 1, 1994, such testing shall be in compliance with the provisions of the Standards for Workplace Drug and Alcohol Testing Act, and
- b. a saliva test, a blood test, a urine test, or other tests or combinations of tests on the horses run or to be run in any race meeting. Prior to the Commission entering into any contract pursuant to this paragraph, the Attorney General shall review and approve the contract. Any contract entered into pursuant to this

paragraph shall contain the specifications that were in the request for bid for the contract;

15. Approve of all proposed construction on property owned or leased by an organization licensee;

16. Have authority to require that all financial, employment, or other records of an organization licensee shall be kept in such manner as prescribed by the Commission and shall be subject to inspection by the Commission. The organization licensee shall submit to the Commission an annual balance sheet, profit-and-loss statement, and any other information the Commission deems necessary in order to administer the provisions of the Oklahoma Horse Racing Act;

17. Have the authority to suspend or revoke a license or impose fines in amounts not to exceed Ten Thousand Dollars (\$10,000.00) against individuals for each violation and in amounts not to exceed Twenty Thousand Dollars (\$20,000.00) against organization licensees for each violation of any provision of the Oklahoma Horse Racing Act, any rules or regulations adopted by the Commission, or any order of the Commission, or for any other action which, in the discretion of the Commission, is a detriment or impediment to horse racing or both such suspension or revocation and fine. Each day upon which such violation or other action by the organization licensee occurs shall constitute a separate offense;

18. Have authority to suspend a horse from participating in races if the horse has been involved in any violation of the rules promulgated by the Commission or the provisions of the Oklahoma Horse Racing Act; and

19. Prepare and submit an annual report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The report shall include an account of the operations, actions, and orders of the Commission, and an accounting of all revenue received by the Commission.

B. 1. The Commission may delegate to stewards or the Executive Director, those of its powers and duties as it deems necessary to fully implement and effectuate the purposes of the Oklahoma Horse Racing Act.

2. The Commission, upon appeal or due consideration, may overrule any decision of a steward except decisions regarding disqualifications for interference during the running of a race if a preponderance of evidence indicates:

- a. the stewards mistakenly interpreted the law; or
- b. new evidence of a convincing nature is produced; or
- c. the best interests of racing and the state may be better served.

3. Any decision pertaining to the finish of a race, as used for purposes of pari-mutuel pool distribution to winning ticket holders, may not be overruled. Any decision pertaining to the distribution of purses may be changed only if a claim is made in writing to the Commission by one of the involved owners or trainers, and a preponderance of evidence clearly indicates to the Commission that one or more of the grounds for protest, as provided for in the rules and regulations prepared by the Commission, has been substantiated.

SECTION 11. AMENDATORY 3A O.S. 1991, Section 204.1B, is amended to read as follows:

Section 204.1B There is hereby created in the State Treasury a revolving fund for the Oklahoma ~~Horse Racing~~ Sports and Gaming Commission, to be designated the "Equine Drug Testing Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the ~~Oklahoma Horse Racing~~ Commission, from appropriations made to the Commission for deposit in the fund and monies paid by organization licensees to the Commission pursuant to assessments made by the Commission for equine drug testing. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and

expended by the ~~Oklahoma Horse Racing~~ Commission for the purpose specified in paragraph 14 of subsection A of Section 204 of ~~Title 3A of the Oklahoma Statutes~~ this title. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 12. AMENDATORY 3A O.S. 1991, Section 204.2, as amended by Section 4, Chapter 16, O.S.L. 1992 (3A O.S. Supp. 1993, Section 204.2), is amended to read as follows:

Section 204.2 A. The Oklahoma ~~Horse Racing~~ Sports and Gaming Commission shall issue occupation licenses to horse owners, trainers, jockeys, agents, apprentices, grooms, exercise persons, veterinarians, valets, blacksmiths, concessionaires, stewards, starters, timers, judges, supervisors of mutuels, guards, and such other personnel designated by the Commission whose work, in whole or in part, is conducted upon racetrack grounds which are owned by an organization licensee. The licenses shall be obtained prior to the time such persons engage in their vocations upon such racetrack grounds at any time during the calendar year for which the organization license has been issued. No person required to be licensed pursuant to the provisions of this section may participate in any capacity in any race meeting without a valid license authorizing such participation.

B. Each application for an occupation license shall be on a form prescribed and furnished by the Commission and shall include a search waiver. The license shall be renewed either annually or triennially beginning January 1. The application shall be accompanied by a fee in an amount of not more than One Hundred Dollars (\$100.00) if renewed annually or not more than Three Hundred Dollars (\$300.00) if renewed triennially. Each application shall contain the following information concerning the applicant:

1. Full name and address; ~~and~~

2. Age; ~~and~~

3. Whether the applicant was issued any prior occupation license from this state; ~~and~~

4. Whether the applicant was issued any occupation license from another state; ~~and~~

5. Whether an occupation license from another state is or has been denied, suspended, or revoked; ~~and~~

6. Whether the applicant has been convicted of a felony in this state or any other state; and

7. Such other information as required by the Commission.

C. The Commission may refuse an occupation license to any person:

1. Who has been convicted of a felony; ~~or~~

2. Who has been convicted of violating any law regarding gambling or controlled dangerous substances of the United States, this state, or any other state; ~~or~~

3. Who is unqualified to perform the duties required of the applicant; ~~or~~

4. Who fails to disclose or states falsely any information required in the application; ~~or~~

5. Who has been found guilty of a violation of any provision of the Oklahoma Horse Racing Act or of the rules and regulations of the Commission; or

6. Whose license has been suspended, revoked, or denied for just cause in any other state.

D. The Commission may suspend or revoke any occupation license or fine an occupation licensee for:

1. Violation of any of the provisions of the Oklahoma Horse Racing Act; ~~or~~

2. Violation of any provision of the rules or regulations of the Commission; ~~or~~

3. Any cause which, if known to the Commission, would have justified the refusal of the Commission to issue the occupation license; or

4. Any other just cause as determined by the Commission.

E. Except as provided for in this subsection, the license fees received by the Commission pursuant to the provisions of this section shall be deposited to the credit of the General Revenue Fund of the State Treasury. Of the original application fee for an occupation license, the amount of the fingerprinting fee shall be deposited in the OSBI Revolving Fund.

F. Notwithstanding any other provision of the Oklahoma Horse Racing Act, Section 200 et seq. of this title, licenses for personnel specified in subsection A of this section whose work is limited to racetrack grounds which are owned by an organization licensee which only conducts non-pari-mutuel race meetings or training races shall be issued pursuant to rules adopted by the Commission in accordance with the American Quarter Horse Association rules.

SECTION 13. AMENDATORY 3A O.S. 1991, Section 205.7, as amended by Section 1, Chapter 160, O.S.L. 1993 (3A O.S. Supp. 1993, Section 205.7), is amended to read as follows:

Section 205.7 A. The Oklahoma Sports and Gaming Commission may authorize an organization licensee during the period it is conducting a race meeting, to accept wagers on the results of out-of-state feature races having a gross purse of Fifty Thousand Dollars (\$50,000.00) or more if the following conditions are met:

1. The authorization complies with federal laws including but not limited to Chapter 57 of Title 15 of the United States Code; and

2. Wagering is offered only within the racing enclosure and only within thirty-six (36) hours prior to the running of the out-of-state feature race.

B. Wagers on out-of-state feature races conducted pursuant to the provisions of this section shall be placed in a separate pari-mutuel pool or pools.

C. Each organization licensee accepting wagers on an out-of-state feature race shall deduct a percentage of the amount handled which is equal to the percentage deducted from the amount handled by the organization licensee in pari-mutuel pools at the race meeting held by the organization licensee.

D. Each organization licensee shall pay the state share of the organization licensee at the rate applicable to the races of the racing program of the organization licensee for the day on which the out-of-state feature race is offered.

E. Breakage and unclaimed ticket proceeds shall be distributed in the manner applicable to the races of the racing program of the organization licensee for the day on which the out-of-state feature race is offered.

F. Except as otherwise provided by law, the amount remaining from the deduction pursuant to the provisions of subsection C of this section after payment of the state share and the contractual payment to the out-of-state host racing organization, shall be distributed as follows:

1. Fifty percent (50%) to the organization licensee; and
2. Fifty percent (50%) to the organization licensee to be distributed as purses.

G. Any race run at any racetrack licensed by the ~~Oklahoma Horse Racing~~ Commission may be televised to another racetrack licensed by the ~~Oklahoma Horse Racing~~ Commission or may be televised out of state. Pari-mutuel wagering may be permitted on such race at any other licensed track within this state, or at any racetrack or other entity in another state or country. Money wagered on such races may be placed in separate or common pools as determined by rules of the ~~Oklahoma Horse Racing~~ Commission. A written application to televise

a race shall contain the details of such race, its agreements and contracts, and shall be submitted to the Commission for its approval at least thirty (30) days prior to the racing event. Such agreement shall comply with all applicable laws of the United States and the laws of this state. The proceeds of the agreement shall be distributed in the same manner as money wagered pursuant to the provisions of Section 205.6 of this title.

SECTION 14. AMENDATORY 3A O.S. 1991, Section 205.8, is amended to read as follows:

Section 205.8 A. Pursuant to rules and regulations of the Oklahoma ~~Horseracing~~ Sports and Gaming Commission, an organization licensee shall be permitted to conduct a National Breeders' Cup pick seven.

B. Any organization licensee authorized by the Commission to accept wagers on the results of the National Breeders' Cup races shall apportion all money wagered on pick seven wagers as follows:

1. Seven percent (7%) 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;

2. Ten percent (10%) shall be retained by the organization licensee;

3. Eight percent (8%) shall be retained by the organization licensee to be distributed as purses; and

4. Seventy-five percent (75%) shall be placed in a separate pari-mutuel pool but shall be commingled with other states' pick seven wager pari-mutuel pools as governed by rules set forth by the Commission.

SECTION 15. AMENDATORY 3A O.S. 1991, Section 208.3, as last amended by Section 1, Chapter 360, O.S.L. 1993 (3A O.S. Supp. 1992, 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~~ Sports and Gaming 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. Any person entitled to monies from the Oklahoma Breeding Development Fund Special Account as a purse supplement, stake, reward, or award ("awards"), will forfeit such monies if that person fails to comply with all requirements necessary for earning the awards. Further, any such person will forfeit such monies if, within one (1) year from the date of the race in which such award was earned, that person does not submit the state voucher for payment or for replacement in the event of an expired voucher, or if that person fails to submit all documentation required by the ~~Oklahoma Horse Racing~~ Commission. In such event, monies accrued from forfeiture will be returned to the Oklahoma Breeding

Development Fund for expenditure by the Commission for the purposes specified in subsection B of this section.

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;
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;
5. To provide monies for equine research through state institutions accredited for the same;
6. To provide monies for use in marketing, promoting and advertising the Oklahoma-Bred Program and the Oklahoma horse racing industry to the people of Oklahoma, the United States and abroad; and
7. To provide for the administration of the Oklahoma Breeding Development Program. The cost of administration of this subsection shall not exceed five percent (5%) of the prior year's receipts. All expenses reimbursed as administrative pursuant to this subsection shall be itemized and audited pursuant to subsection E of this section. Any monies transferred from the Oklahoma Breeding Development Fund Special Account to the Oklahoma Breeding Development Revolving Fund for administrative reimbursement found to be unsubstantiated, excessive or ineligible for reimbursement by said audit shall be returned to the Oklahoma Breeding Development

Fund Special Account within thirty (30) days of the conclusion of the audit.

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;

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; provided, breeding stallions shall be eligible for registration in the Oklahoma-bred breeding program until July 1 of the breeding year. No person shall knowingly prepare or cause preparation of an application for registration of such foals which contains false information;

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; and

5. Allow a mare registered as Oklahoma-bred racing stock which has not been registered as an Oklahoma broodmare prior to foaling to be registered as an Oklahoma broodmare upon payment of the registration fee and a late fee not to exceed Two Hundred Dollars (\$200.00), which action shall entitle the foals of the mare to be registered as Oklahoma-bred horses provided all other qualifications of the Commission are met.

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 16. AMENDATORY Section 30, Chapter 270, O.S.L. 1993 (3A O.S. Supp. 1993, Section 208.3a), is amended to read as follows:

Section 208.3a A. There is hereby created in the State Treasury a revolving fund for the Oklahoma ~~Horse Racing~~ Sports and Gaming Commission, to be designated the "Oklahoma Breeding Development Administration Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission from transfers made pursuant to paragraph 6 of subsection B of Section 208.3 of Title 3A of the Oklahoma Statutes. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Commission for the purpose of administering the Oklahoma Breeding Development Program. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

B. Monies received by and expenditures from said fund shall be subject to an annual audit pursuant to paragraph 6 of subsection B and subsection E of Section 208.3 of Title 3A of the Oklahoma Statutes.

At the close of the fiscal year ending June 30, 1994, and at the close of each fiscal year thereafter any unencumbered, unobligated and unexpended monies in the Oklahoma Breeding Development

Administration Revolving Fund shall be transferred to the Oklahoma Breeding Development Fund Special Account.

SECTION 17. AMENDATORY Section 1, Chapter 85, O.S.L. 1993 (3A O.S. Supp. 1993, Section 208.11) is amended to read as follows:

Section 208.11 A. The Oklahoma ~~Horse Racing~~ Sports and Gaming Commission is hereby authorized to determine by rule which drugs and medications, if any, may be administered to a horse prior to or during a horse race and to determine by rule the conditions under which such drugs and medications may be used or administered.

B. The administration of any drug or medication to a horse prior to or during a horse race which is not permitted by rule of the Commission is prohibited.

C. Any person who violates the provisions of this section or who knowingly enters in a race a horse to which any drug or medication has been administered in violation of this section shall be guilty, upon conviction, of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years, or by both said fine and imprisonment. The Commission shall suspend or revoke the license of any such guilty party.

SECTION 18. AMENDATORY Section 2, Chapter 328, O.S.L. 1992 (3A O.S. Supp. 1993, Section 401), is amended to read as follows:

Section 401. A. ~~Sections 2 through 28~~ Section 401 et seq. of this ~~act~~ title shall be known and may be cited as the "Oklahoma Charity Games Act".

B. For the protection of charitable organizations and the general public seeking to assist such organizations through participation in certain charity organized activities, the Legislature declares that it is necessary to restrict the conducting of certain games of chance by enacting an Oklahoma Charity Games

Act. Such restrictions are for the purpose of authorizing the conducting of certain games of chance to certain organizations which function exclusively for charitable purposes in conformance with state and federal laws regulating such organizations.

The Legislature finds that it is in the interest of the health, welfare, and safety of the citizens of the State of Oklahoma that games of chance offered to the public by other than charitable organizations which are commonly referred to as "commercial bingo" or "commercial operations" are hereby prohibited in this state.

The Legislature further finds that offering to the public certain types of games of chance including but not limited to games commonly referred to as bingo games and other types of instant winner games by other than a licensed organization is declared to be a "commercial operation" and is in violation of the law.

SECTION 19. AMENDATORY Section 3, Chapter 328, O.S.L. 1992, as amended by Section 3, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 402), is amended to read as follows:

Section 402. As used in the Oklahoma Charity Games Act, Section 401 et seq. of this title:

1. "Bingo" means a game in which each player receives a bingo face and covers the squares according to the numbers, letters, or combination of numbers and letters that have been announced by the caller. The numbers and letters called are on an object selected at random either manually or mechanically from a receptacle in which have been placed the objects bearing the numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the bingo face squares. The winner of each bingo game is the player who first properly covers a predetermined and announced pattern of squares upon the bingo face being used by the player;

2. "Bingo face" means a flat piece of paper which is marked off into any number of squares in any arrangement of rows, with each

square being designated by number, letter or combination of numbers and letters and with one or more squares designated as a "free" space with one or more word "Oklahoma" and a facsimile outline of a map of Oklahoma in it, which cannot be reused after the game in which a player has used it is over;

3. "Breakopen ticket card" means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal a number, letter, symbol, or set of letters or symbols, a few of which numbers, letters or symbols out of every set of charity game tickets have been designated in advance at random as prize winners and which is used in a breakopen ticket game;

4. "Breakopen ticket game" means a game wherein a player receives a breakopen ticket card. A breakopen ticket game shall meet the following criteria:

- a. the game shall be assembled so that no placement of winners or losers exists that allows the possibility of prize manipulation,
- b. the concealed numbers, letters, or symbols shall not be visible from the outside of the game using high intensity lamps. Protection shall be provided by the opaque paper stock employed, with the possible addition of colors and printed blockout patterns or by use of an aluminum foil laminate,
- c. a unique symbol or printed security device, such as a specific number keyed to particular winners or the name of the symbol or some of the symbol colors changed for a window, or other similar protection shall be placed in the winning windows of prize windows to ensure that the winner image is unique,

- d. it shall not be possible to detect or pick out winning from losing tickets through variations in printing graphics, color, or use of different printing plates,
- e. it shall not be possible to isolate winning or potential winning tickets from minor variations in size or cutting of the tickets comprising a particular packet, and
- f. each ticket in a game shall have a serial number. All tickets in a game shall have the same serial number appearing in a conspicuous place on the ticket;

5. "Business entity" is a person, company, corporation, or partnership organized for profit;

6. "Charity game" means a bingo game, U-PIK-EM bingo game, or breakopen ticket game conducted by an organization pursuant to the provisions of the Oklahoma Charity Games Act;

7. "Charity game equipment" means any object uniquely designed for use in the conducting of a charity game including but not limited to bingo faces, U-PIK-EM bingo game sets, and breakopen ticket cards. Items used in conducting charity games which are not charity game equipment are ink markers, furniture and general furnishings of rooms where charity games are conducted;

8. "Commission" ~~or "ABLE Commission"~~ means the ~~Alcoholic Beverage Laws Enforcement~~ Oklahoma Sports and Gaming Commission;

9. "Day session" means the set time frame within which conducting of charity games is authorized beginning no earlier than 10:00 a.m. and ending no later than 5:00 p.m.;

10. "Deal" means one series of breakopen ticket game cards which have a stated number of winner payouts and a stated amount of the payouts;

11. "Distributor" means a person or business entity that sells, markets, or otherwise provides charity game equipment to an organization;

12. "Doing business" means either conducting a charity game by an organization or providing goods or services to an organization by a business entity;

13. "Immediate family member" means a spouse, parent, child or sibling or spouse of a parent, child or sibling of a resident of a facility exempt from specific provisions of the Oklahoma Charity Games Act as provided in subsection C of Section 405 of this title;

14. "Licensee" means any person, organization, or business entity which has received a license from the Commission;

15. "Location" means the building, including the individual rooms and equipment in the rooms, grounds, and appurtenances, including adjacent premises if subject to the direct or indirect control of the organization while conducting a charity game, which are used in connection with or in furtherance of the conducting of a charity game;

16. "Manufacturer" means a person or business entity that assembles from raw materials, supplies, or subparts to form a completed series of charity game equipment for use in charity games and that sells, markets, or otherwise provides such equipment to a distributor;

17. "Night session" means the set time frame within which conducting of charity games is authorized beginning no earlier than 5:00 p.m. and ending no later than 12:00 p.m. midnight;

18. "Organization" means a religious, charitable, labor, fraternal, educational, or other type of association or any branch, lodge, chapter, or auxiliary of such association which:

- a. operates without profit to its members,
- b. has been in existence and been operating as a nonprofit organization for not less than two (2) years prior to applying for an organization license,
- c. is tax exempt pursuant to the provisions of paragraphs (3), (4), (5), (6), (7), (8), (9), (10), or (19) of

subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq., and

d. formulates bylaws which clearly identify and establish:

- (1) method of electing officers and their duties,
- (2) method by which members are elected, initiated or admitted,
- (3) the rights and privileges of each member,
- (4) that each member has one vote, and
- (5) that membership rights are personal to the member and not assignable;

19. "U-PIK-EM bingo game" means a game played wherein a player writes the numbers on a U-PIK-EM bingo game set. The player retains one sheet of the set and deposits the second sheet in a receptacle in the control of the organization. The player then covers the numbers as the caller announces a number. The numbers called are on an object selected at random either manually or mechanically from a receptacle in which have been placed the objects bearing the numbers. The winner of each U-PIK-EM bingo game is the player who first covers all the numbers appearing on the retained sheet in accordance with the pattern as designated on the sheet; and

20. "U-PIK-EM bingo game set" means two paper sheets of carbonless paper both bearing identical serial numbers on which a player writes numbers, wherein one sheet is retained by the player and used for playing and one sheet is held by the organization and used for verifying winners.

SECTION 20. AMENDATORY Section 4, Chapter 328, O.S.L. 1992, as amended by Section 4, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 403), is amended to read as follows:

Section 403. A. The ~~ABLE~~ Oklahoma Sports and Gaming Commission shall be the licensing authority for the licensing of organizations,

manufacturers, and distributors conducting, supplying, or otherwise providing charity games to the public in this state.

B. The Commission shall be responsible for the administration and enforcement of the Oklahoma Charity Games Act. In addition to such other duties as may be imposed on the Commission by law, and in order to perform that responsibility, the Commission shall:

1. Adopt and promulgate rules for the purpose of administering and enforcing the Oklahoma Charity Games Act;

2. Have the authority to issue, renew, suspend, or revoke any license authorized by the Oklahoma Charity Games Act;

3. Conduct or direct the conducting of investigations relating to issuing, renewing, suspending, or revoking any license authorized by the Oklahoma Charity Games Act;

4. Institute proceedings as the complainant against both licensees and nonlicensees for violations of the Oklahoma Charity Games Act;

5. Maintain records of all proceedings including minutes of meetings, applications for licenses and related documents of applicants, and official documents filed in any hearings conducted by the Commission arising out of any provision of the Oklahoma Charity Games Act or the rules and regulations of the Commission. Copies of such records certified by the ~~Director~~ executive director of the Commission shall be admissible as evidence in a civil or criminal action;

6. Make such expenditures including employing such additional staff as may be necessary for the administration and enforcement of the Oklahoma Charity Games Act;

7. Establish a standard recordkeeping system for the conduct of charity games;

8. Establish a model internal control system for use by organizations;

9. Conduct all hearings including actions on investigations, issuance, denial, revocation, or suspension of a license, adoption of rules, and conduct meetings in accordance with the provisions of the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes, and the Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes; and

10. Be responsible for approving locations for the conducting of charity games.

C. The members of the Commission, the ~~Director~~ executive director and such agents as the Commission appoints shall have all the powers and authority of peace officers of this state for purposes of enforcing the provisions of the Oklahoma Charity Games Act.

D. The Commission shall have the authority to regularly inspect all locations or places of business of licensees and all other persons, firms or corporations dealing in the manufacture, distribution, transportation, sale or service of charity games or charity game equipment within this state. Any officer or employee of the Commission with responsibility for enforcement of the Oklahoma Charity Games Act shall have the power and authority, without a warrant, to enter and examine the location or place of business of any licensee, during normal operating hours thereof, to determine if any violation of the provisions of the Oklahoma Charity Games Act or rules of the Commission is or may be occurring. The right of entry and inspection shall be a condition upon which every license shall be issued and the application for and acceptance of any license hereunder shall conclusively be deemed to be consent of the applicant and licensee to such entry and inspection. Officers and employees of the Commission or the Oklahoma Tax Commission shall be given free access to and shall not be hindered or interfered with in their examination of the location or place of business of any licensee, and in any case in which such officer or employee is

denied free access and entry or is hindered or interfered with in making such examination, any license held for such location or place of business shall be subject to suspension or revocation.

SECTION 21. AMENDATORY Section 6, Chapter 328, O.S.L. 1992, as amended by Section 5, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 405), is amended to read as follows:

Section 405. A. Any organization which conducts any charity game activities not more than four times per year may obtain an exemption from specific provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title, as provided in this section. Such exemption shall be obtained by the filing of a verified application with the ~~ABLE~~ Oklahoma Sports and Gaming Commission signed by the executive officer of said organization and containing the following information:

1. The name and address of the organization;
2. The name, address and telephone number of the executive officer of the organization or such other person authorized to receive documents or other information from the Commission on behalf of the organization; and
3. A statement that said organization shall conduct a charity game session four or fewer times per calendar year and the dates and times and location wherein such activities shall occur.

B. Any organization which conducts any charity game activities not more than four times per year which has obtained an exemption from the Commission shall not:

1. Be required to obtain any type of license required by the Oklahoma Charity Games Act;
2. Be restricted to the use of bingo faces as defined in the Oklahoma Charity Games Act but shall not be authorized to use electronic facsimile of faces;

3. Be required to purchase charity game equipment from persons or business entities licensed pursuant to the provisions of the Oklahoma Charity Games Act; or

4. Be subject to any restrictions in this act or rules of the Commission relating to conducting charity games on certain days of the week or during certain hours.

C. Any hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility which conducts charity games at such facilities on a regular basis for the residents or regular patrons of the facility and their immediate family members may obtain an exemption from specific provisions of the Oklahoma Charity Games Act as provided in this section. Such exemption shall be obtained by the filing of a verified application with the Commission signed by the owner or supervisor of the facility and containing the following information:

1. The name and address of the hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility;

2. The name, address and telephone number of the owner or supervisor of the facility or such other person authorized to receive documents or other information from the Commission on behalf of the facility; and

3. A statement that said facility shall conduct charity games at the specified facility for the residents or regular patrons of the facility and their immediate family members. Provided, the prizes awarded either in cash or any other thing of value shall not exceed Two Hundred Fifty Dollars (\$250.00) in any one (1) day at any such hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility.

D. Any hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility which conducts charity games at such facilities on a regular basis

for the residents or regular patrons of the facility or their immediate family members which has obtained an exemption from the Commission shall not:

1. Be required to obtain any type of license required by the Oklahoma Charity Games Act;

2. Be restricted to the use of bingo faces, as defined in the Oklahoma Charity Games Act but shall not be authorized to use electronic facsimile of faces;

3. Be required to purchase charity game equipment from persons or business entities licensed pursuant to the provisions of the Oklahoma Charity Games Act; or

4. Be subject to any restrictions in the Oklahoma Charity Games Act or rules of the Commission relating to conducting charity games on certain days of the week or during certain hours.

SECTION 22. AMENDATORY Section 8, Chapter 328, O.S.L. 1992, as amended by Section 6, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 407), is amended to read as follows:

Section 407. A. The ~~ABLE~~ Oklahoma Sports and Gaming Commission shall refuse to issue, deny renewal, suspend, or revoke any license for any one or more of the following reasons:

1. Obtaining a license from the Commission through fraud, misrepresentation, or concealment of a material fact;

2. Noncompliance with the tax laws of this state; or

3. Failure to pay any fine levied by the Commission.

B. The Commission may levy fines or refuse to issue, deny renewal, suspend, or revoke any license for any one or more of the following reasons:

1. Violation of any provision of the Oklahoma Charity Games Act, Section 401 et seq. of this title. A determination of action on a license pursuant to the provisions of this subsection shall not be limited to actions against a licensee that has been convicted of a violation in a court of competent jurisdiction;

2. Violation of any rule adopted by the Commission;
3. Failure to implement an order of the Commission;
4. Failure by an organization to provide adequate internal control in accordance with the rules for such control established by the Commission; or
5. Failure to keep financial records in accordance with the standard system established by the Commission.

C. The Commission is hereby authorized to establish a penalty schedule for violations of any provision of the Oklahoma Charity Games Act or for violation of any rule of the Commission. The schedule may provide fines or suspension or revocation or both fines and suspension or revocation for violations of the act or rules as determined by the Commission. Penalties shall be increasingly severe for each violation.

D. All administrative fines collected by the Commission pursuant to the provisions of this section shall be forwarded to the State Treasurer for deposit in the General Revenue Fund.

SECTION 23. AMENDATORY Section 12, Chapter 328, O.S.L. 1992, as amended by Section 7, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 411), is amended to read as follows:

Section 411. A. An applicant for an initial organization license shall, prior to applying for such license, twice publish, in such form and containing such information as the ~~ABLE~~ Oklahoma Sports and Gaming Commission shall by rule prescribe, a notice of its intention to apply for such license, once a week for two (2) successive weeks in a legal newspaper of general circulation within the county of the location of the licensee. Proof of such publication shall be filed with the Commission.

B. Upon an application for a license being filed with the ~~ABLE~~ Commission, the Commission shall give written notice of the application to the district attorney, county sheriff, city attorney,

and chief of police or marshal of the municipality and county in which the applicant will be doing business.

1. The written notice shall be provided by regular first-class mail sent not more than ten (10) calendar days from the date of receipt of the application.

2. The written notice shall contain the name of the applicant, the location at which the organization or business entity will be doing business, and the date on which the Commission will consider the application.

C. Applications for any of the licenses provided for in the Oklahoma Charity Games Act, Section 401 et seq. of this title, shall be on such form as designated by the Commission.

SECTION 24. AMENDATORY Section 16, Chapter 328, O.S.L. 1992, as amended by Section 9, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 415), is amended to read as follows:

Section 415. A. Licensed organizations shall purchase their supplies only from distributors licensed by this state and payment for said supplies shall be made upon receipt of the supplies at the place of delivery.

B. Distributors shall market, sell, or supply charity game equipment in this state only to an organization, exempt organization, exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility, entity of the United States government, federally recognized Indian tribe or nation or other licensed distributor.

C. Distributors shall purchase or otherwise obtain charity game equipment only from manufacturers or other distributors licensed pursuant to the provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title.

D. Manufacturers shall sell charity game equipment in this state only to distributors licensed pursuant to the provisions of

the Oklahoma Charity Games Act or federally recognized Indian tribes or nations.

E. Charity game equipment owned by an organization may be disposed of by selling it or giving it away to another organization, an exempt organization, or exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility, with the written permission of the ~~Director~~ executive director of the ~~ABLE~~ Oklahoma Sports and Gaming Commission and with proper notification to the Oklahoma Tax Commission.

SECTION 25. AMENDATORY Section 20, Chapter 328, O.S.L. 1992, as amended by Section 11, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 419), is amended to read as follows:

Section 419. A. In the conducting of a bingo game or a U-PIK-EM bingo game, not more than a total of Six Thousand Dollars (\$6,000.00) in cash or any other thing of value shall be paid out during a day session or a night session; provided, the ~~ABLE~~ Oklahoma Sports and Gaming Commission may, in its discretion, raise the limit to an amount not to exceed Twelve Thousand Dollars (\$12,000.00) for an individual organization licensee. Any person may protest the raising of the limit by filing a written and signed protest with the Commission. Within thirty (30) calendar days of the date of receipt of such protest, the Commission shall conduct a hearing on such protest. Such total shall include awards for winning the game, and all other cash or other thing of value given or awarded during the session. For purposes of this subsection, value means the retail cost which would be paid if the item were bought in a retail store.

B. The Commission is hereby authorized to set the limits on the type and purchase price of each breakopen ticket game. Such breakopen ticket card price limit shall not exceed Two Dollars (\$2.00). A breakopen ticket game shall be submitted by the

manufacturer to the Commission for approval. Only approved breakopen ticket games may be offered to an organization.

SECTION 26. AMENDATORY Section 23, Chapter 328, O.S.L. 1992, as amended by Section 12, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 422), is amended to read as follows:

Section 422. A. All taxes levied pursuant to the provisions of Section 421 of this title shall be collected and remitted by the distributor to the Oklahoma Tax Commission.

B. The distributor shall submit a copy of each invoice from the manufacturer from which the distributor obtained the charity game equipment stating the amount and price of each item obtained.

C. The distributor shall submit a copy of each invoice submitted for payment to a purchaser of charity game equipment.

D. The taxes shall be due and paid monthly, and shall be deemed delinquent if not paid on or before the fifteenth day of the month following the month during which the items were sold to an organization.

E. Charity game equipment taxed pursuant to the provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title, shall be exempt from taxation pursuant to any other law of this state levying a sales tax, consumers tax, or use tax.

F. A licensed distributor shall be allowed a discount of one percent (1%) of the taxes due pursuant to the provisions of the Oklahoma Charity Games Act as remuneration for establishing and maintaining the records required by the ~~ABLE~~ Oklahoma Sports and Gaming Commission and the Oklahoma Tax Commission and for collecting such tax for the benefit of the state, if such tax is timely reported and remitted; provided, the discount provided by this section shall be limited to Three Thousand Three Hundred Dollars (\$3,300.00) per reporting period for each licensed distributor and any amount in excess of Three Thousand Three Hundred Dollars (\$3,300.00) per reporting period for each licensed distributor shall

be retained by the state as an administrative expense and deposited to the General Revenue Fund. If the tax becomes delinquent, the licensed distributor forfeits any claim to the remuneration.

G. The Oklahoma Tax Commission shall, by rule, establish a procedure by which a licensed distributor shall be allowed a credit against subsequent tax liability for damaged bingo faces, U-PIK-EM bingo game sets, breakopen ticket games or charity game equipment upon which the tax required by the Oklahoma Charity Games Act has been paid and by which the distributor shall reimburse the organization which purchased such damaged bingo faces, U-PIK-EM bingo game sets, breakopen ticket games or charity game equipment for the tax paid by such organization.

H. Effective July 1, 1993, the Oklahoma Tax Commission shall devise only such tax reporting forms as necessary for tax collection pursuant to the Oklahoma Charity Games Act and shall promulgate and enforce only such rules as are necessary to provide for the collection, remitting and verification of payment of taxes by distributors as required by this section.

I. The Oklahoma Tax Commission shall have the authority to enter the licensed premises of any licensee to verify compliance with the taxation provisions of the Oklahoma Charity Games Act.

SECTION 27. AMENDATORY Section 27, Chapter 328, O.S.L. 1992, as amended by Section 14, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 426), is amended to read as follows:

Section 426. A. On and after January 1, 1993, any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards that are not purchased from a licensed distributor are declared to be contraband, unless such items are:

1. Purchased by an exempt organization, exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility;

2. Purchased by a federally recognized Indian tribe or nation;
or

3. Sold or given by a licensed organization to another licensed organization, an exempt organization, or exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility, if written permission is obtained from the Director of the ~~ABLE~~ Oklahoma Sports and Gaming Commission and proper notification is given to the Oklahoma Tax Commission.

B. On and after January 1, 1993, any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards sold or offered for sale by a business entity which is not a licensed distributor is declared to be contraband.

C. Any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards which were not in the possession of an organization or business entity on December 31, 1992, on which the taxes have not been paid are declared to be contraband unless the items are being transported through this state from another state to be sold or distributed in another state.

D. On and after January 1, 1993, any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards in the possession of an organization or business entity which has not been licensed or obtained an exemption pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of this title, shall be declared contraband.

E. Such contraband shall be subject to confiscation, forfeiture, and destruction in the following manner:

1. The Commission, its agent, or the district attorney of the county wherein the alleged contraband is located shall seize any such item and maintain it for safekeeping pending a final adjudication of the legality of the sale or purchase;

2. The Commission, its agent, or the district attorney seizing the alleged contraband shall apply to the district court for an

order forfeiting the alleged contraband and directing its destruction;

3. The court clerk shall give the owner of the alleged contraband fourteen (14) calendar days' written notice of the hearing on the request for the order for destruction; and

4. Upon obtaining an order from the court ordering destruction, the Commission or the district attorney shall destroy the contraband in the manner they deem most appropriate.

SECTION 28. AMENDATORY Section 28, Chapter 328, O.S.L. 1992, as amended by Section 15, Chapter 305, O.S.L. 1993 (3A O.S. Supp. 1993, Section 427), is amended to read as follows:

Section 427. A. Any organization which holds an unexpired license to conduct a bingo game issued pursuant to the provisions of Sections 995.1 through 995.15 of Title 21 of the Oklahoma Statutes is authorized to continue conducting such licensed game until the expiration date of said license. Any organization which holds an unexpired license to conduct a bingo game issued by the Oklahoma Tax Commission or the Alcoholic Beverage Laws Enforcement Commission pursuant to the provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title, prior to the effective date of this act is authorized to continue conducting such licensed game until the expiration date of said license.

1. Any such licensee continuing to conduct bingo games pursuant to the license issued by a district court clerk shall submit the information required in Section 408 of this title by March 1, 1993.

2. Upon expiration of the license issued by the district court clerk, the organization shall submit a new application and pay the appropriate fees as required for organizations which did not have a license to conduct bingo games on December 1, 1992.

3. The provisions of this subsection shall not be construed to guarantee the issuance of an organization license to the

organization upon the expiration of the license issued by a district court clerk.

B. Applicants for an organization license or a distributor license which have charity game equipment may submit a full and complete inventory of such equipment in the form of a sworn affidavit of the total amount of charity game equipment in each tax category in the possession of the applicant to the Oklahoma Tax Commission on or before December 31, 1992.

1. Before December 31, 1992, and upon receipt of said sworn affidavit of inventory, the Oklahoma Tax Commission shall provide the applicant with a stamp or seal, in a manner to be determined by the Oklahoma Tax Commission for marking the charity game equipment which will be exempt from the tax provisions of the Oklahoma Charity Games Act.

2. After December 31, 1992, all charity game equipment shall be subject to the taxes and contraband provisions of the Oklahoma Charity Games Act.

~~C. On or after July 1, 1993, the ABLE Commission shall promulgate such emergency rules as deemed necessary for implementation and enforcement of the Oklahoma Charity Games Act. The ABLE Commission shall promulgate permanent rules necessary for implementation and enforcement of the Oklahoma Charity Games Act for submission to the Legislature at the beginning of the next regular legislative session.~~

~~D. The Oklahoma Tax Commission shall immediately deliver to the ABLE Commission all books, papers, records, computer tapes and other property of the Oklahoma Tax Commission which pertain to the licensing and enforcement of the Oklahoma Charity Games Act.~~

SECTION 29. REPEALER 3A O.S. 1991, Section 203, is hereby repealed.

SECTION 30. This act shall become effective on the date the results of the election provided for in subsection B of Section 1 of

this act are certified pursuant to Section 8-115 of Title 26 of the Oklahoma Statutes.

44-2-1352

JY