

ENROLLED SENATE  
BILL NO. 450

By: Stipe, Snyder and Gustafson  
of the Senate

and

Steidley of the House

An Act relating to horse racing; amending 3A O.S. 1991, Sections 205.7, as last amended by Section 1, Chapter 83, O.S.L. 1994 and 208.2, as amended by Section 2, Chapter 83, O.S.L. 1994 (3A O.S. Supp. 1994, Sections 205.7 and 208.2), which relate to pari-mutuel wagering; requiring plan for offtrack wagering be submitted to Oklahoma Horse Racing Commission; stating conditions under which such wagering may be conducted; providing for take out and distribution; requiring annual notification of Commission; requiring certain licensure of persons conducting offtrack wagering; providing for distribution of certain proceeds; expanding conditions under which licensee may accept wagers on certain out-of-state races; deleting exception to exceeding certain limit in out-of-state races; deleting provisions pertaining to televising races run at Oklahoma licensed racetracks; authorizing televising of races run at Oklahoma licensed racetracks to instate and out-of-state tracks; permitting pari-mutuel wagering on such races; authorizing Commission to determine by rule placement of monies in separate or common pools; requiring written agreement contain certain details, be submitted by certain date and comply

with certain laws; providing for distribution of certain proceeds; excluding conducting wagering on certain races from consideration in allocation of racing days; requiring certain permission for retransmitting certain signal; providing for distribution of breakage and unclaimed ticket proceeds; increasing maximum number of racing days for fair race meetings; and providing for codification.

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 205.6a of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. Any organization licensee shall file with the Oklahoma Horse Racing Commission its plan to conduct pari-mutuel wagering on the organization licensee's race program at a facility or facilities located outside the organization licensee's racing enclosure. Such pari-mutuel wagering shall be conducted only during the organization licensee's approved race meeting or meetings and shall be conducted simultaneous to all pari-mutuel wagering at the organization licensee's racing facility in this state. The conducting of pari-mutuel wagering at a facility outside the organization licensee's enclosure is subject to the following:

1. Pari-mutuel wagering shall be permitted only in a county which approves or has approved the conducting of pari-mutuel horse racing in that county pursuant to the provisions of Section 209 of Title 3A of the Oklahoma Statutes;

2. Pari-mutuel wagering conducted by an organization licensee shall not be permitted within thirty (30) miles of another organization licensee's racing enclosure without the express permission granted by the other organization licensee;

3. All pari-mutuel wagering facilities located outside any organization licensee's racing enclosure shall be operated in accordance with all applicable rules of the Oklahoma Horse Racing Commission Rules of Racing (Pari-Mutuel Edition);

4. The organization licensee sending its racing signal to a facility or facilities outside its racing enclosure may combine the pari-mutuel pools of all facilities with those of the organization licensee for the purpose of determining odds and computing payoffs. The amount of money to be retained and distributed by the organization licensee and to be remitted to the Oklahoma Tax Commission from money wagered pursuant to the provisions of this section shall be the same as set forth in paragraph 1 of subsection B, paragraph 1 of subsection D and paragraph 1 of subsection E of Section 205.6 of Title 3A of the Oklahoma Statutes and Section 208.2 of Title 3A of the Oklahoma Statutes;

5. One percent (1%) of the total monies wagered at a facility other than an organization licensee's racing enclosure shall be distributed from the amount retained pursuant to paragraph 4 of this subsection as follows:

- a. ten percent (10%) to the State Auditor and Inspector for the purpose of auditing such facilities, and
- b. forty-five percent (45%) to the county in which the facility is located, and
- c. forty-five percent (45%) to the city in which the facility is located, or
- d. if the facility is not located within the corporate limits of any city, ninety percent (90%) to the county in which the facility is located;

6. The distribution for purses at facilities other than an organization licensee's racing enclosures shall be:

- a. six and one-half percent (6.5%) of total handle during the first thirty-six (36) months after the opening of a facility in a county, and
- b. seven and one-half percent (7.5%) of total handle thereafter.

Upon completion of three hundred sixty-five (365) calendar days since the opening of a facility in a county, the thirty-six-month period commences retroactive to the opening of that facility. If the facility does not operate for three hundred sixty-five (365) calendar days, a new facility may be opened and operated, with the thirty-six-month period commencing consistent with this paragraph. If a facility terminates operation after the three-hundred-sixty-fifth calendar day, all days shall be allotted to subsequent facilities not to exceed one thousand ninety-five (1,095) calendar days per facility; and

7. The organization licensee, after the distribution to the Oklahoma Tax Commission pursuant to the provisions of paragraph 4 of this subsection and distributions pursuant to paragraphs 5 and 6 of this subsection, shall retain the balance of the monies wagered.

B. Notification by an organization licensee to conduct pari-mutuel wagering at a facility or facilities outside of the organization licensee's racing enclosure shall be made annually to the Oklahoma Horse Racing Commission. An organization licensee may make an original notification to conduct pari-mutuel wagering at a facility or facilities outside of the organization licensee's racing enclosure at any time.

C. All persons employed in the actual conduct of pari-mutuel wagering at a facility outside an organization licensee's racing enclosure shall be licensed by the Commission, consistent with Section 204.2 of this title.

D. Breakage and unclaimed ticket proceeds shall be distributed in the manner applicable to the races of the racing program of the organization licensee sending the racing program.

SECTION 2. AMENDATORY 3A O.S. 1991, Section 205.7, as last amended by Section 1, Chapter 83, O.S.L. 1994 (3A O.S. Supp. 1994, Section 205.7), is amended to read as follows:

Section 205.7 A. The Oklahoma Horse Racing Commission may authorize an organization licensee during the period it is conducting a race meeting or accepting pari-mutuel wagers on races run at any racetrack licensed by the Commission, to accept wagers on the results of out-of-state races having a gross purse of Fifty Thousand Dollars (\$50,000.00) or more. Any organization licensee may be exempt from the minimum gross purse requirements of this section if authorized by the Oklahoma Horse Racing Commission. The authorization may be granted by the Oklahoma Horse Racing Commission only if:

1. The out-of-state races are part of a national pari-mutuel wagering promotion; or

2. The out-of-state races under Fifty Thousand Dollars (\$50,000.00) constitute no more than twenty-five percent (25%) of the total number of out-of-state races simulcast at the organization licensee's racing enclosure during any race meeting. For purposes of such computation all races under paragraph 1 of this subsection shall be excluded. No out-of-state races exceeding the limits specified in this paragraph shall be allowed.

The authorization must comply with federal laws including but not limited to Chapter 57 of Title 15 of the United States Code.

B. Wagers on out-of-state 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 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 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 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.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 205.7a of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. 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 Oklahoma Horse Racing Commission for its approval 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 paragraph 1 of subsection B, paragraph 1 of subsection D and paragraph 1 of subsection E of Section 205.6 of Title 3A of the Oklahoma Statutes and Section 208.2 of Title 3A of the Oklahoma Statutes.

B. For the days on which a licensed track within this state conducts pari-mutuel wagering only on races televised from another licensed track within this state, the conducting of pari-mutuel wagering shall not be considered racing days for the purposes of Section 205.2 of Title 3A of the Oklahoma Statutes.

C. When any licensed track within this state conducts pari-mutuel wagering on races televised from another licensed track within this state, the receiving licensee shall not retransmit the

sending licensee's signal without the express permission of the sending licensee.

D. Breakage and unclaimed ticket proceeds shall be distributed in the manner applicable to the races of the racing program of the organization licensees who are sending and receiving the racing program.

SECTION 4. AMENDATORY 3A O.S. 1991, Section 208.2, as amended by Section 2, Chapter 83, O.S.L. 1994 (3A O.S. Supp. 1994, Section 208.2), is amended to read as follows:

Section 208.2 A. Any fair association organized pursuant to the provisions of Title 2 of the Oklahoma Statutes for Agricultural Fair Corporations, the Free Oklahoma State Fair, Free District Fairs, and Agricultural and Industrial Expositions and Fairs or any existing county, district, or state fair as of January 1, 1983, may apply to the Commission for one race meeting each year to be held within the boundaries of the county where the fair association is located. The Commission may set the number of days and the dates of such race meeting requested by the fair association. A race meeting conducted by a fair association shall not exceed sixteen (16) days during a twenty-eight-consecutive-day period. A race meeting conducted pursuant to the provisions of this section shall be conducted in such a manner that all profits shall accrue to the fair association.

B. Each organization licensee that, pursuant to this section, holds a race meeting at which the pari-mutuel system of wagering is conducted shall retain the following amounts from the monies wagered:

1. On win, place, and show wagers, an amount equal to eighteen percent (18%) shall be retained and distributed as follows:

- a. two-thirds (2/3) of the eighteen percent (18%) to the organization licensee, and
- b. one-third (1/3) of the eighteen percent (18%) to purses for participating horses;

2. On daily double, quinella, and exacta wagers, an amount equal to twenty percent (20%) shall be retained and distributed as follows:

- a. seven-tenths (7/10) of the twenty percent (20%) to the organization licensee, and
- b. three-tenths (3/10) of the twenty percent (20%) to purses for participating horses;

3. On pick six wagers, an amount equal to twenty-five percent (25%) shall be retained and distributed as follows:

- a. three-fifths (3/5) of the twenty-five percent (25%) to the organization licensee, and
- b. two-fifths (2/5) of the twenty-five percent (25%) to purses for participating horses.

C. The Commission shall issue occupation licenses for personnel of organization licensees licensed pursuant to this section. Each occupation license shall be issued pursuant to Section 204.2 of this title except that the occupation license fee shall not be more than Ten Dollars (\$10.00) excluding fingerprinting fees.