

SB 341

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THE STATE SENATE
Thursday, February 18, 1999

Senate Bill No. 341
As Amended

SENATE BILL NO. 341 - By: HOBSON of the Senate and GLOVER of the House.

[amusements and sports - Oklahoma Horse Racing Act - effective date - emergency]

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

SECTION 1. AMENDATORY 3A O.S. 1991, Section 203.4, as last amended by Section 2, Chapter 370, O.S.L. 1998 (3A O.S. Supp. 1998, Section 203.4), is amended to read as follows:

Section 203.4 A. ~~1-~~ At each pari-mutuel race meeting held pursuant to the provisions of the Oklahoma Horse Racing Act the Oklahoma Horse Racing Commission shall employ three individuals to be stewards. At non-pari-mutuel race meetings and for training races, the organization licensee may employ its own stewards in accordance with the rules of the American Quarter Horse Association or have the Commission employ the stewards as provided in this subsection. The Commission shall designate one of the individuals as chief steward and the other two individuals as assistant stewards. If employed by the Commission, the compensation of the stewards, including but not limited to salaries, benefits and other reimbursable expenses as determined by the Commission, shall be paid

(Bold face denotes Committee Amendments)

1 by the Commission ~~and the Commission shall be reimbursed by the~~
2 ~~organization licensee. Said reimbursed funds shall be deposited by~~
3 ~~the Commission to the credit of the General Revenue Fund of the~~
4 ~~State Treasury.~~

5 ~~2. Reimbursement of the Commission by the organization licensee~~
6 ~~pursuant to paragraph 1 of this subsection shall be suspended for~~
7 ~~two (2) years, effective July 1, 1997.~~

8 B. ~~1.~~ All other racing personnel shall be employed for race
9 meetings as the Commission deems necessary. All other racing
10 personnel required by the Commission at non-pari-mutuel race
11 meetings or training races may be employed by the organization
12 licensee in accordance with the rules of the American Quarter Horse
13 Association. The compensation of racing personnel employed by the
14 Commission, including but not limited to salaries, benefits and
15 reimbursable expenses, shall be paid by the Commission ~~and, except~~
16 ~~for license clerks, the Commission shall be reimbursed by the~~
17 ~~organization licensee. Said reimbursed funds shall be deposited by~~
18 ~~the Commission to the credit of the General Revenue Fund of the~~
19 ~~State Treasury.~~

20 ~~2. Reimbursement of the Commission by the organization licensee~~
21 ~~pursuant to paragraph 1 of this subsection shall be suspended for~~
22 ~~two (2) years, effective July 1, 1997.~~

1 C. The stewards and other racing officials at pari-mutuel race
2 meetings, at non-pari-mutuel race meetings and at training races
3 shall enforce the rules ~~and regulations~~ of the Commission and the
4 provisions of the Oklahoma Horse Racing Act in the manner provided
5 by law and shall render written reports of the activities and
6 conduct of the race meetings to the Commission. In enforcing the
7 rules of the Commission and officiating at races, the stewards shall
8 not be required to comply with provisions of the Oklahoma Open
9 Meeting Act but shall be required to comply with applicable
10 provisions of the Administrative Procedures Act.

11 SECTION 2. AMENDATORY 3A O.S. 1991, Section 205.6, as
12 last amended by Section 1, Chapter 124, O.S.L. 1995 (3A O.S. Supp.
13 1998, Section 205.6), is amended to read as follows:

14 Section 205.6 A. Any organization licensee conducting a race
15 meeting may provide places on the race meeting grounds at which it
16 may conduct and supervise the pari-mutuel system of wagering on the
17 horse races conducted by the organization licensee at the race
18 meeting. No other place or method of betting, pool making,
19 wagering, or gambling shall be used or permitted by the organization
20 licensee. The pari-mutuel system of wagering shall be permitted
21 only on horse races conducted at a racetrack where such pari-mutuel
22 system of wagering is authorized pursuant to the provisions of the
23 Oklahoma Horse Racing Act.

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

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

14 a. One-ninth (1/9) of the eighteen percent (18%) shall be
15 remitted to the Oklahoma Tax Commission on the first
16 business day following the close of the racing day on
17 which it was assessed. One hundred percent (100%) of
18 the revenue derived pursuant to the provisions of this
19 paragraph shall be apportioned monthly to the General
20 Revenue Fund of the state for the support of the state
21 government, to be paid out only pursuant to
22 appropriation by the Legislature; and

- 1 b. Five-ninths (5/9) of the eighteen percent (18%) shall
2 be retained by the organization licensee; and
- 3 c. One-third (1/3) of the eighteen percent (18%) shall be
4 retained by the organization licensee to be
5 distributed as purses for participating horses.

6 2. All money wagered per calendar year for each type of racing
7 in excess of One Hundred Million Dollars (\$100,000,000.00) but not
8 to exceed One Hundred Fifty Million Dollars (\$150,000,000.00) shall
9 be distributed as follows provided, that all racing dates
10 exclusively for Thoroughbred racing in a calendar year shall be
11 combined for the purpose of computing taxation rates and all racing
12 dates for mixed racing and all other individual breeds in a calendar
13 year shall be combined but considered separate from Thoroughbred
14 racing for the purpose of computing taxation rates:

- 15 a. One-ninth (1/9) of the eighteen percent (18%) shall be
16 remitted to the ~~Oklahoma~~ Tax Commission on the first
17 business day following the close of the racing day on
18 which it was assessed. One hundred percent (100%) of
19 the revenue derived pursuant to the provisions of this
20 paragraph shall be apportioned monthly to the General
21 Revenue Fund of the state for the support of the state
22 government, to be paid out only pursuant to
23 appropriation by the Legislature; ~~and~~

- 1 b. Four-ninths (4/9) of the eighteen percent(18%) shall
2 be retained by the organization licensee; ~~and~~
- 3 c. One-third (1/3) of the eighteen percent (18%) shall be
4 retained by the organization licensee to be
5 distributed as purses for participating horses; and
- 6 d. One-ninth (1/9) of the eighteen percent (18%) shall be
7 retained by the organization licensee to be
8 distributed as follows:
- 9 (1) seventy-five percent (75%) as purses for
10 participating horses, and
- 11 (2) twenty-five percent (25%) shall be remitted to
12 the Oklahoma Horse Racing Commission, at such
13 intervals as required by the Commission, for
14 deposit in the Oklahoma Breeding Development Fund
15 Special Account.
- 16 3. All money wagered per calendar year for each type of racing
17 in excess of One Hundred Fifty Million Dollars (\$150,000,000.00)
18 shall be distributed as follows provided, that all racing dates
19 exclusively for Thoroughbred racing in a calendar year shall be
20 combined for the purpose of computing taxation rates and all racing
21 dates for mixed racing and all other individual breeds in a calendar
22 year shall be combined but considered separate from Thoroughbred
23 racing for the purpose of computing taxation rates:

- 1 a. One-ninth (1/9) of the eighteen percent (18%) shall be
2 remitted to the ~~Oklahoma~~ Tax Commission on the first
3 business day following the close of the racing day on
4 which it was assessed. One hundred percent (100%) of
5 the revenue derived pursuant to the provisions of this
6 paragraph shall be apportioned monthly to the General
7 Revenue Fund of the state for the support of the state
8 government, to be paid out only pursuant to
9 appropriation by the Legislature; ~~and~~
- 10 b. One-third (1/3) of the eighteen percent (18%) shall be
11 retained by the organization licensee; ~~and~~
- 12 c. One-third (1/3) of the eighteen percent (18%) shall be
13 retained by the organization licensee to be
14 distributed as purses for participating horses; and
- 15 d. Two-ninths (2/9) of the eighteen percent (18%) shall
16 be retained by the organization licensee to be
17 distributed as follows:
- 18 (1) seventy-five percent (75%) as purses for
19 participating horses, and
- 20 (2) twenty-five percent (25%) shall be remitted to
21 the Oklahoma Horse Racing Commission, at such
22 intervals as required by the Commission, for

1 deposit in the Oklahoma Breeding Development Fund
2 Special Account.

3 C. Notwithstanding any other provisions of this act, the state
4 shall collect six percent (6%) of the total amount wagered under the
5 provisions of ~~this act~~ the Oklahoma Horse Racing Act at such time
6 the organization licensee has no further debt service.

7 D. In addition to the amount required to be retained by the
8 provisions of subsection B of this section, each organization
9 licensee holding a race meeting at which the pari-mutuel system of
10 wagering is conducted shall retain an additional amount equal to ~~two~~
11 ~~percent (2%)~~ three percent (3%) of all money wagered on multiple
12 race wagers involving not ~~to exceed three~~ more than two races and on
13 multiple horse wagers involving not more than two horses in the same
14 race.

15 Such amount shall be retained by the organization licensee to be
16 distributed as follows:

17 1. ~~Seventy-five percent (75%)~~ One-half (1/2) as purses for
18 participating horses; ~~and~~

19 2. ~~Twenty-five percent (25%)~~ One-sixth (1/6) shall be remitted
20 to the Oklahoma Horse Racing Commission, at such intervals or
21 required by the Commission, for deposit in the Oklahoma Breeding
22 Development Fund Special Account; and

1 3. One-third (1/3) shall be retained by the organization
2 licensee.

3 E. Each organization licensee shall retain an amount equal to
4 twenty-five percent (25%) of all money wagered on multiple race
5 wagers involving three or more than three races and on multiple
6 horse wagers involving more than two horse wagers in the same race
7 or races, to be distributed as follows:

8 1. Two twenty-fifths (2/25) of the twenty-five percent (25%)
9 shall be remitted to the ~~Oklahoma~~ Tax Commission on the first
10 business day following the close of the racing day on which it was
11 assessed. The revenue shall be apportioned monthly to the General
12 Revenue Fund of the state for the support of the state government,
13 to be paid out only pursuant to appropriation by the Legislature;
14 ~~and~~

15 2. ~~Two-fifths (2/5)~~ Fifteen twenty-fifths (15/25) of the
16 twenty-five percent (25%) shall be retained by the organization
17 licensee; ~~and~~

18 3. ~~Eight twenty-fifths (8/25)~~ Six twenty-fifths (6/25) of the
19 twenty-five percent (25%) shall be retained by the organization
20 licensee to be distributed as purses for participating horses; and

21 4. ~~One-fifth (1/5)~~ Two twenty-fifths (2/25) of the twenty-five
22 percent (25%) shall be retained by the organization licensee to be
23 distributed as follows:

- 1 a. Seventy-five percent (75%) as purses for participating
2 horses; and
- 3 b. Twenty-five percent (25%) shall be remitted to the
4 Oklahoma Horse Racing Commission, at such intervals as
5 required by the Commission, for deposit in the
6 Oklahoma Breeding Development Fund Special Account.

7 F. Organization licensees shall keep accurate books and records
8 of all moneys wagered on each day of a race meeting and of the taxes
9 paid pursuant to the provisions of this section. The ~~Oklahoma~~ Tax
10 Commission or an authorized representative shall have access at all
11 reasonable times to such records for the purpose of examining and
12 checking the records and ascertaining whether the proper amount of
13 taxes is being paid. The ~~Oklahoma~~ Tax Commission shall require
14 verified reports and a statement of the total of all moneys wagered
15 daily at a race meeting and may prescribe forms upon which such
16 reports and statement shall be made. The organization licensee
17 shall provide the ~~Oklahoma~~ Tax Commission with such space and
18 accommodations as may be necessary for the ~~Oklahoma~~ Tax Commission
19 to implement its duties pursuant to the provisions of the Oklahoma
20 Horse Racing Act.

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

1 SECTION 3. AMENDATORY 3A O.S. 1991, Section 205.7, as
2 last amended by Section 2, Chapter 176, O.S.L. 1996 (3A O.S. Supp.
3 1998, Section 205.7), is amended to read as follows:

4 Section 205.7 A. The Oklahoma Horse Racing Commission may
5 authorize an organization licensee to accept wagers on the results
6 of out-of-state full racing programs for simulcast races as follows:

7 1. On days when the organization licensee is conducting live
8 racing, the licensee may accept wagers on ~~not more than two~~ out-of-
9 state full racing programs ~~during the hours when it is conducting~~
10 ~~live racing, and may accept wagers on the results of not more than~~
11 ~~four out-of-state full racing programs during the hours it is not~~
12 ~~conducting live racing; and~~

13 2. a. On days when the organization licensee is not
14 conducting live racing, the licensee may accept wagers
15 on the results of ~~not more than six out-of-state~~ full
16 racing programs, provided that the number of days, not
17 included in its race meeting, which an organization
18 licensee may be authorized to accept wagering pursuant
19 to this paragraph is limited to fifty percent (50%) of
20 the number of days the licensee conducts live racing~~+~~.

21 b. Notwithstanding the limitations contained in
22 subparagraph a of this paragraph, an organization
23 licensee may accept wagers on races run at any

1 racetrack licensed by the Oklahoma Horse Racing
2 Commission, and may accept wagers on the out-of-state
3 full racing programs received by said racetrack; and

4 3. On days when the licensee is conducting live racing, the
5 Oklahoma Horse Racing Commission may authorize the organization
6 licensee to accept wagers on individual out-of-state simulcast races
7 in addition to the out-of-state full racing programs.

8 B. For purposes of this section, fifty percent (50%) or more of
9 the races being run at an out-of-state track constitutes a full
10 racing program. The authorization provided in subsection A of this
11 section must comply with federal laws including, but not limited to,
12 Chapter 57 of Title 15 of the United States Code.

13 C. Wagers on out-of-state races conducted pursuant to the
14 provisions of this section may be placed in a separate pari-mutuel
15 pool or pools, or may be combined with the pari-mutuel pool or pools
16 of the track where the race is run, or may be combined with other
17 organization licensees licensed by the Oklahoma Horse Racing
18 Commission and their wagering facilities located within this state.

19 D. Each organization licensee accepting wagers on an out-of-
20 state race shall deduct a percentage of the amount handled which is
21 equal to the percentage deducted from the amount handled by the
22 organization licensee in pari-mutuel pools at the race meeting or
23 meetings held by the organization licensee if the wagers on the out-

1 of-state races are not being combined with the pari-mutuel pool or
2 pools where the race or races are being run.

3 E. For the day on which the out-of-state race is offered, each
4 organization licensee shall pay the state share of the organization
5 licensee at the rate applicable to the races of the racing program
6 of the organization licensee.

7 F. Breakage and unclaimed ticket proceeds shall be distributed
8 in the manner applicable to the races of the racing program of the
9 organization licensee.

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

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

18 H. An organization licensee accepting wagers on out-of-state
19 full racing programs pursuant to subsection A of this section shall,
20 for any year in which it intends to accept such out-of-state full
21 racing programs, make application to the Commission for not less
22 than eighty percent (80%) of the number of live racing days awarded
23 for each race meeting to that licensee in 1996.

1 I. Notwithstanding subsection H of this section, any
2 organization licensee may apply for less than the eighty percent
3 (80%) of the number of live race days for a designated race meeting
4 awarded to the licensee in 1996 if such application is approved by
5 the organization licensee's official horsemen's representative at
6 that designated race meeting.

7 J. One-tenth of one percent (1/10 of 1%) of the total monies
8 wagered at the racing enclosure on out-of-state simulcast races
9 shall be remitted by the organization licensee from the amount
10 retained pursuant to this section to the State Auditor and Inspector
11 for the purpose of auditing racing facilities.

12 SECTION 4. AMENDATORY 3A O.S. 1991, Section 208.2, as
13 last amended by Section 4, Chapter 125, O.S.L. 1995 (3A O.S. Supp.
14 1998, Section 208.2), is amended to read as follows:

15 Section 208.2 A. Any fair association organized pursuant to
16 the provisions of Title 2 of the Oklahoma Statutes for Agricultural
17 Fair Corporations, the Free Oklahoma State Fair, Free District
18 Fairs, and Agricultural and Industrial Expositions and Fairs or any
19 existing county, district, or state fair as of January 1, 1983, may
20 apply to the Oklahoma Horse Racing Commission for one race meeting
21 each year to be held within the boundaries of the county where the
22 fair association is located. The Commission may set the number of
23 days and the dates of such race meeting requested by the fair

1 association. A race meeting conducted by a fair association shall
2 not exceed sixteen (16) days during a twenty-eight-consecutive-day
3 period. A race meeting conducted pursuant to the provisions of this
4 section shall be conducted in such a manner that all profits shall
5 accrue to the fair association.

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

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

12 a. two-thirds (2/3) of the eighteen percent (18%) to the
13 organization licensee, and

14 b. one-third (1/3) of the eighteen percent (18%) to
15 purses for participating horses;

16 2. On daily double, quinella, and exacta wagers, an amount
17 equal to ~~twenty percent (20%)~~ twenty-one percent (21%) shall be
18 retained and distributed as follows:

19 a. ~~seven-tenths (7/10)~~ fifteen twenty-firsts (15/21) of
20 the ~~twenty percent (20%)~~ twenty-one percent (21%) to
21 the organization licensee, and

1 b. ~~three-tenths (3/10)~~ six twenty-firsts (6/21) of the
2 ~~twenty percent (20%)~~ twenty-one percent (21%) to
3 purses for participating horses;

4 3. On pick six wagers, trifecta, superfecta, twin trifecta, and
5 pick three wagers, an amount equal to twenty-five percent (25%)
6 shall be retained and distributed as follows:

7 a. ~~three-fifths (3/5)~~ eighteen twenty-fifths (18/25) of
8 the twenty-five percent (25%) to the organization
9 licensee, and

10 b. ~~two-fifths (2/5)~~ seven twenty-fifths (7/25) of the
11 twenty-five percent (25%) to purses for participating
12 horses.

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

18 SECTION 5. This act shall become effective July 1, 1999.

19 SECTION 6. It being immediately necessary for the preservation
20 of the public peace, health and safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

23 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & LABOR, dated 2-15-99 -
24 DO PASS, As Amended and Coauthored.