

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

SENATE BILL NO. _____

By: Long

AS INTRODUCED

An Act relating to amusements and sports; amending 3A O.S. 1991, Sections 203.4, as last amended by Section 2, Chapter 370, O.S.L. 1998, 205.6, as last amended by Section 1, Chapter 124, O.S.L. 1995, 205.7, as last amended by Section 2, Chapter 176, O.S.L. 1996, 208.2, as last amended by Section 4, Chapter 125, O.S.L. 1995 (3A O.S. Supp. 1998, Sections 203.4, 205.6, 205.7, and 208.2), which relate to the Oklahoma Horse Racing Act; deleting certain reimbursement requirements; changing distribution of percentages of certain amounts wagered; deleting restriction on certain program simulcast distribution; changing retention and distribution of certain amounts from pari-mutuel wagering; deleting obsolete language and repetitive language; clarifying references; providing an effective date; and declaring an emergency.

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

SECTION 310. 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 by the Commission ~~and the Commission shall be reimbursed by the organization licensee. Said reimbursed funds shall be deposited by the Commission to the credit of the General Revenue Fund of the State Treasury.~~

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

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

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

C. The stewards and other racing officials at pari-mutuel race meetings, at non-pari-mutuel race meetings and at training races shall enforce the rules ~~and regulations~~ of the Commission and the provisions of the Oklahoma Horse Racing Act in the manner provided by law and shall render written reports of the activities and conduct of the race meetings to the Commission. In enforcing the rules of the Commission and officiating at races, the stewards shall not be required to comply with provisions of the Oklahoma Open

Meeting Act but shall be required to comply with applicable provisions of the Administrative Procedures Act.

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

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

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

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

- a. One-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of

the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature; and

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

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

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

- c. One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses; and
- d. One-ninth (1/9) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as follows:
 - (1) seventy-five percent (75%) as purses for participating horses, and
 - (2) twenty-five percent (25%) shall be remitted to the Oklahoma Horse Racing Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account.

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

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

- c. One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses; and
- d. Two-ninths (2/9) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as follows:
 - (1) seventy-five percent (75%) as purses for participating horses, and
 - (2) twenty-five percent (25%) shall be remitted to the Oklahoma Horse Racing Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account.

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

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

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

- 1. ~~Seventy-five percent (75%)~~ One-half (1/2) as purses for participating horses; ~~and~~
- 2. ~~Twenty-five percent (25%)~~ One-sixth (1/6) shall be remitted to the Oklahoma Horse Racing Commission, at such intervals or

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

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

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

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

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

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

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

a. Seventy-five percent (75%) as purses for participating horses; and

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

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

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

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

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

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

2. a. On days when the organization licensee is not conducting live racing, the licensee may accept wagers on the results of ~~not more than six~~ out-of-state full

racing programs, provided that the number of days, not included in its race meeting, which an organization licensee may be authorized to accept wagering pursuant to this paragraph is limited to fifty percent (50%) of the number of days the licensee conducts live racing~~r~~.

b. Notwithstanding the limitations contained in subparagraph a of this paragraph, an organization licensee may accept wagers on races run at any racetrack licensed by the Oklahoma Horse Racing Commission, and may accept wagers on the out-of-state full racing programs received by said racetrack; and

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

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

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

D. 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 or meetings held by the organization licensee if the wagers on the out-

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

E. For the day on which the out-of-state race is offered, 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.

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

G. Except as otherwise provided by law, the amount remaining from the deduction pursuant to the provisions of subsection D 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.

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

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

J. One-tenth of one percent (1/10 of 1%) of the total monies wagered at the racing enclosure on out-of-state simulcast races shall be remitted by the organization licensee from the amount

retained pursuant to this section to the State Auditor and Inspector for the purpose of auditing racing facilities.

SECTION 4. AMENDATORY 3A O.S. 1991, Section 208.2, as last amended by Section 4, Chapter 125, O.S.L. 1995 (3A O.S. Supp. 1998, 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 Oklahoma Horse Racing 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%)~~ twenty-one percent (21%) shall be retained and distributed as follows:

- a. ~~seven-tenths (7/10)~~ fifteen twenty-firsts (15/21) of the ~~twenty percent (20%)~~ twenty-one percent (21%) to the organization licensee, and
- b. ~~three-tenths (3/10)~~ six twenty-firsts (6/21) of the ~~twenty percent (20%)~~ twenty-one percent (21%) to purses for participating horses;

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

- a. ~~three-fifths (3/5)~~ eighteen twenty-fifths (18/25) of the twenty-five percent (25%) to the organization licensee, and
- b. ~~two-fifths (2/5)~~ seven twenty-fifths (7/25) 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.

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

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

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