

ENGROSSED HOUSE AMENDMENT

TO

ENGROSSED SENATE BILL NO. 555

By: Hobson of the Senate

and

Glover of the House

An Act relating to amusements and sports; amending 3A O.S. 1991, Section 205.6, as last amended by Section 1, Chapter 124, O.S.L. 1995 (3A O.S. Supp. 2000, Section 205.6), which relates to the percentage of certain pari-mutuel wagers retained; modifying percentages; and providing an effective date.

AUTHOR: Add the following House Coauthor: Phillips

AMENDMENT NO. 1. Strike the title, enacting clause and entire bill and insert

"An Act relating to amusements and sports; amending 3A O.S. 1991, Sections 205.6, as last amended by Section 1, Chapter 124, O.S.L. 1995, and 208.2, as last amended by Section 4, Chapter 125, O.S.L. 1995 (3A O.S. Supp. 2000, Sections 205.6 and 208.2), which relate to the Oklahoma Horse Racing Act; modifying amount of money retained from certain wagers and distribution of those monies; modifying length of fair association race meetings; changing retention and distribution of certain monies wagered; and declaring an emergency.

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

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. 2000, 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~~ 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 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 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 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~~ two races and on multiple horse wagers not to exceed two horses in the same race.

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

1. Two-thirds (2/3) of three percent (3%) shall be distributed:

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

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

2. One-third (1/3) of the three percent (3%) shall be distributed:

a. Fifty percent (50%) as purses for participating horses; and

b. Fifty percent (50%) to the organization licensee.

E. Each organization licensee shall retain an amount ~~equal to~~ not less than twenty-one percent (21%) nor greater than twenty-five percent (25%) of all money wagered on multiple race wagers involving

more than ~~three~~ two races, ~~to~~ and on multiple horse wagers involving more than two horses such amount shall 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~~ Eighteen percent (18%) pursuant to subsection B of this section;

2. ~~Two-fifths (2/5) of the twenty-five percent (25%) shall be retained by the organization licensee; and~~ Three percent (3%) pursuant to subsection D of this section; and

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

4. ~~One-fifth (1/5) 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 Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account~~ Of the remainder, fifty percent (50%) to be distributed as purses for participating horses and fifty percent (50%) to the organization licensee.

F. Organization licensees shall keep accurate books and records of all moneys wagered on each day of a race meeting and of the taxes paid pursuant to the provisions of this section. The Oklahoma Tax Commission or an authorized representative shall have access at all reasonable times to such records for the purpose of examining and checking the records and ascertaining whether the proper amount of

taxes is being paid. The Oklahoma Tax Commission shall require verified reports and a statement of the total of all moneys wagered daily at a race meeting and may prescribe forms upon which such reports and statement shall be made. The organization licensee shall provide the Oklahoma Tax Commission with such space and accommodations as may be necessary for the Oklahoma Tax Commission to implement its duties pursuant to the provisions of the Oklahoma Horse Racing Act.

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

SECTION 2. AMENDATORY 3A O.S. 1991, Section 208.2, as last amended by Section 4, Chapter 125, O.S.L. 1995 (3A O.S. Supp. 2000, 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 Oklahoma Horse Racing 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 or a fair association shall be permitted to conduct a race meeting of twenty (20) to twenty-two (22) days during a thirty-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~~ race wagers involving two races or two horses, an amount equal to ~~twenty percent (20%)~~ twenty-one percent (21%) shall be retained and distributed as follows:

- a. ~~seven-tenths (7/10) of the twenty percent (20%)~~ one percent (1%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding and Development Fund Special Account for participating horses,
- b. two-thirds (2/3) of the balance of the amount retained to the organization licensee, and
- ~~b. three-tenths (3/10) of the twenty percent (20%)~~
- c. one-third (1/3) of the balance of the amount retained to purses for participating horses;

3. On ~~pick six~~ race wagers involving three or more races or three or more horses, an amount equal to not less than twenty-one percent (21%) nor more than twenty-five percent (25%) shall be retained and distributed as follows:

- a. ~~three-fifths (3/5) of the twenty-five percent (25%)~~ one percent (1%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding and Development Fund Special Account for participating horses,

- b. two-thirds (2/3) of the balance of the amount retained to the organization licensee, and
 - b. ~~two-fifths (2/5) of the twenty-five percent (25%)~~
 - c. one-third (1/3) of the balance of the amount retained to purses for participating horses-; and
4. a. Wagers conducted pursuant to Section 205.7 of this title by an organization licensee pursuant to this section during the live race meeting of the organization licensee shall be exempt from the provisions of subsection E of Section 205.7 of this title.
- b. Except as otherwise provided by law, the amount remaining after the deduction made pursuant to the provisions of subsection D of Section 205.7 of this title and after 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.

C. Any organization licensed pursuant to Section 208.2 of this title and conducting pari-mutuel wagering on races being run at another organization licensee within the State of Oklahoma shall retain from the monies being wagered an amount equal to the amount being retained from wagers by the sending track. The amount of money retained shall be distributed as follows:

- 1. Fifty percent (50%) to the organization licensee; and
- 2. Fifty percent (50%) to the organization licensee as purses for participating horses.

D. 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 3. 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."

Passed the House of Representatives the 9th day of April, 2001.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2001.

Presiding Officer of the Senate