

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1894

By: Stanley of the House

and

Ford of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Horse Racing Act; granting to organization licensees authorization to conduct specified Class II games; stating exceptions; authorizing the Oklahoma Horse Racing Commission to regulate such gaming; requiring games be conducted within licensee's enclosure or adjacent thereto; prescribing minimum number of live racing days that licensee shall conduct if conducting games; stating exception for designated race meeting; prohibiting conduct of games during specified hours on Sunday; defining terms; establishing distribution of gaming revenues for counties below a certain population threshold; establishing distribution of gaming revenues for counties above a certain population threshold; providing for codification; providing ballot title; and directing filing.

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

SECTION 1. Pursuant to Section 3 of Article V of the Oklahoma Constitution, there is hereby ordered the following legislative referendum which shall be filed with the Secretary of State and addressed to the Governor of the state, who shall submit the same to the people for their approval or rejection at the General Election to be held on November 5, 2002.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 205.3a of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. Each organization licensee granted a license to conduct a race meeting pursuant to Title 3A of the Oklahoma Statutes may,

notwithstanding other provisions of law, conduct Class II gaming as defined by the Indian Gaming Regulatory Act, 25 U.S.C. Section 2703, provided the term "Class II gaming" for the purposes of this section shall not include any banking card games, including baccarat, chemin de fer, blackjack (21), or electronic or electronic facsimiles of any game of chance or slot machines of any kind, or any game unless explicitly and expressly permitted by Oklahoma law. The Class II gaming permitted to be conducted by this section shall only include:

1. The game of chance commonly known as bingo, whether or not electronic, computer, or other technological aids are used in connection therewith:

- a. which is played for prizes, including monetary prizes, with cards bearing numbers or other designations,
- b. in which the holder of the card covers the numbers or other designations when objects, similarly numbered or designated, are drawn or electronically determined, and
- c. in which the game is won by the first person covering a previously designated arrangement of numbers or designations on the cards, including, if played at the same location, pull-tabs, lotto punch boards, tip jars, instant bingo, and other games similar to bingo;

2. Card games, if any, that are explicitly authorized by the laws of this state;

3. Any gaming as conducted or machine used by a federally recognized Indian tribe within this state which has been approved by the National Indian Gaming Commission as Class II gaming or a Class II gaming machine or by a federal or state appellate court of competent jurisdiction in a case dealing with gaming conducted or machines used in Oklahoma; provided, nothing in this subsection shall be construed to permit an organization licensee to conduct any card game not explicitly and expressly permitted by Oklahoma law.

4. Any other gaming or machine found by the Oklahoma Horse Racing Commission to be Class II gaming or a Class II gaming machine. Nothing in this section is intended to authorize or permit an organizational licensee to conduct a card game unless explicitly and expressly permitted by Oklahoma law or to use any Class III machine or conduct any Class III gaming, as that term is defined at 25 U.S.C. Section 2703.

B. Any Class II gaming authorized by this section shall be regulated by the Oklahoma Horse Racing Commission.

C. The gaming permitted pursuant to subsection A of this section shall be conducted within the enclosure of the organization licensee or on property owned or leased by the organization licensee that is adjacent to the enclosure; provided, however, that any gaming permitted pursuant to subsection A of this section may not be conducted within any facility authorized by the Oklahoma Horse Racing Commission to conduct pari-mutuel wagering pursuant to Section 205.6a of Title 3A of the Oklahoma Statutes.

D. An organization licensee awarded race days in 1996 shall, for any year in which it intends to conduct gaming pursuant to this section, conduct not fewer than eighty percent (80%) of the number of live racing days for each race meeting awarded to that organization licensee in 1996.

E. An organization licensee first awarded race days after 1996 shall, for any year in which it intends to conduct gaming pursuant to this section, conduct, with respect to the number of live racing days awarded in that organization licensee's first year of operation:

1. In the first year, sixty percent (60%) of the number of original live racing days awarded;

2. In the second year, seventy percent (70%) of the number of original live racing days awarded; and

3. In the third and subsequent years, eighty percent (80%) of the number of original live racing days awarded.

F. Notwithstanding subsections D and E of this section, any organization licensee may conduct fewer than the number of live racing days required by subsections D and E of this section for a designated race meeting if the reduction in number of live racing days conducted is approved by the organization licensee's official horsemen's representative at that designated race meeting and by the Oklahoma Horse Racing Commission.

G. Gaming authorized by this section shall not be conducted on Sunday between the hours of 3:00 a.m. and 12:00 p.m.

H. For purposes of this section, "adjusted gross revenues" means the total receipts received from the play of all games minus all payoffs and the cost of prizes awarded in connection with the play of the games specified in this section.

I. Organization licensees, which are located in counties with a population of four hundred thousand (400,000) or less according to the most recent Federal Decennial Census, shall distribute the retained adjusted gross revenues from any gaming conducted pursuant to this section as follows:

1. Two percent (2%) shall be remitted to the Oklahoma Tax Commission on the fifteenth day following the end of the month in which it was retained. One hundred percent (100%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of state government, to be paid out only pursuant to appropriation by the Legislature;

2. Five percent (5%) 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, to be apportioned as follows:

- a. one-half (1/2) of the five percent (5%) shall be allocated for distribution, pursuant to Section 208.3 of Title 3A of the Oklahoma Statutes, to eligible Thoroughbred horses as a result of participation in race meetings conducted by the organization licensee, and
- b. one-half (1/2) of the five percent (5%) shall be allocated for distribution, pursuant to Section 208.3 of Title 3A of the Oklahoma Statutes, to eligible Quarter horses, Paint horses, and Appaloosa horses as a result of participation in race meetings conducted by the organization licensee;

3. Twenty-one and one-half percent (21.5%) shall be retained by the organization licensee to be distributed as purses for participating horses as follows:

- a. if the organization licensee conducted more than two race meetings in 1996, whereby two of such race meetings were restricted to Thoroughbred horses, the organization licensee shall distribute sixty percent (60%) of any purse funds derived pursuant to this paragraph to participating Thoroughbred horses in the live race meeting or meetings restricted to Thoroughbred horses, and the organization licensee shall distribute the remaining forty percent (40%) of any purse funds generated pursuant to this section to Quarter, Paint, and Appaloosa horses participating in the live race meeting or meetings not restricted to Thoroughbred horses, and
- b. if the organization licensee conducted less than three race meetings in 1996 or conducted no live racing in 1996, the purse funds derived pursuant to this

paragraph shall be distributed according to the participation of each breed of horse; and

4. Seventy-one and one-half percent (71.5%) shall be retained by the organization licensee.

J. Organization licensees, which are located in counties with a population of greater than four hundred thousand (400,000) according to the most recent Federal Decennial Census, shall distribute the retained adjusted gross revenues from any gaming conducted pursuant to this section as follows:

1. Two percent (2%) shall be remitted to the Oklahoma Tax Commission on the fifteenth day following the end of the month in which it was retained. One hundred percent (100%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund of the state for the support of state government, to be paid out only pursuant to appropriation by the Legislature;

2. Ten percent (10%) 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, to be apportioned as follows:

- a. one-half (1/2) of the ten percent (10%) shall be allocated for distribution, pursuant to Section 208.3 of Title 3A of the Oklahoma Statutes, to eligible Thoroughbred horses as a result of participation in race meetings conducted by the organization licensee, and
- b. one-half (1/2) of the ten percent (10%) shall be allocated for distribution, pursuant to Section 208.3 of Title 3A of the Oklahoma Statutes, to eligible Quarter horses, Paint horses, and Appaloosa horses as a result of participation in race meetings conducted by the organization licensee;

3. Twenty-one and one-half percent (21.5%) shall be retained by the organization licensee to be distributed as purses for participating horses as follows:

- a. if the organization licensee conducted more than two race meetings in 1996, whereby two of such race meetings were restricted to Thoroughbred horses, the organization licensee shall distribute sixty percent (60%) of any purse funds derived pursuant to this paragraph to participating Thoroughbred horses in the live race meeting or meetings restricted to Thoroughbred horses, and the organization licensee shall distribute the remaining forty percent (40%) of any purse funds derived pursuant to this paragraph to Quarter, Paint, and Appaloosa horses participating in the live race meeting or meetings not restricted to Thoroughbred horses, and
- b. if the organization licensee conducted less than three race meetings in 1996 or conducted no live racing in 1996, the purse funds derived pursuant to this paragraph shall be distributed according to the participation of each breed of horse; and

4. Sixty-six and one-half percent (66.5%) shall be retained by the organization licensee.

SECTION 3. The Ballot Title for the act shall be in the following form:

BALLOT TITLE

Legislative Referendum No. _____ State Question No. _____

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

This measure creates new law allowing licensed horse racing tracks to conduct Class II gaming. Class II gaming is defined as the game of chance commonly known as bingo. The Oklahoma Horse Racing Commission would have authority over Class II

gaming at tracks. All gaming under this measure must take place on property owned or leased by the track. Tracks that conduct Class II gaming must hold a certain number of live race days each year. No gaming may be conducted on Sunday between 3:00 a.m. and 12:00 p.m. This measure describes how revenue from Class II gaming will be distributed. Two percent will be used for support of state government. Twenty-one and one-half percent will be used for purses for participating horses. In counties with a population of less than 400,000, five percent will go to the Oklahoma Breeding Development fund and seventy-one and one-half percent will go to the track. In all other counties, ten percent will go to the Oklahoma Breeding Development fund and sixty-six and one-half percent will go to the track.

SHALL THE PROPOSAL BE APPROVED?

- YES, FOR THE PROPOSAL
- NO, AGAINST THE PROPOSAL

SECTION 4. The Chief Clerk of the House, immediately after the passage of this act, shall prepare and file one copy thereof, including the Ballot Title set forth in Section 3 hereof, with the Secretary of State and one copy with the Attorney General.

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