

ENROLLED SENATE
BILL NO. 1399

By: Lerblance of the Senate

and

Roggow, Hyman, Shoemake and
Brown of the House

An Act relating to amusements and sports; amending 3A O.S. 2001, Sections 200.1, as amended by Section 1, Chapter 517, O.S.L. 2004, 205, 208.3, as amended by Section 4, Chapter 299, O.S.L. 2003 and 208.4 (3A O.S. Supp. 2005, Sections 200.1 and 208.3), which relate to the Oklahoma Horse Racing Act; modifying definitions; prohibiting holding horse races where a fee is charged without licensure and creating penalty for violation; modifying requirement for distribution of certain funds from Oklahoma Breeding Development Fund Special Account; broadening types of wagering which may not be conducted at a race or race meeting without valid licensure; and declaring an emergency.

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

SECTION 1. AMENDATORY 3A O.S. 2001, Section 200.1, as amended by Section 1, Chapter 517, O.S.L. 2004 (3A O.S. Supp. 2005, Section 200.1), is amended to read as follows:

Section 200.1 A. As used in the Oklahoma Horse Racing Act:

1. "Commission" means the Oklahoma Horse Racing Commission;
2. "Enclosure" means ~~all areas of the property of an organization licensee to which admission can be obtained only by payment of an admission fee or upon presentation of proper credentials and all parking areas designed to serve the facility which are owned or leased by the organization licensee~~ buildings, structures and grounds utilized for the conduct of a race meeting and/or gaming at the race track and any additional areas designated by the Oklahoma Horse Racing Commission;
3. "Family" means husband, wife, and any dependent children;
4. "Financial interest" means an interest that could result in directly or indirectly receiving a pecuniary gain or sustaining a pecuniary loss as a result of ownership or interest in a business entity, or as a result of salary, gratuity, or other compensation or remuneration from any person;

5. "Horse racing" means any type of horse racing, including, but not limited to, Arabian, Appaloosa, Paint, Pinto, Quarter Horse, and Thoroughbred horse racing.

- a. "Arabian horse racing" means the form of horse racing in which each participating horse is an Arabian horse registered with the Arabian Horse Club Registry of America and approved by the Arabian Horse Racing Association of America or any successor organization, mounted by a jockey, and engaged in races on the flat over a distance of not less than one-quarter (1/4) mile or more than four (4) miles.
- b. "Appaloosa horse racing" means the form of horse racing in which each participating horse is an Appaloosa horse registered with the Appaloosa Horse Club or any successor organization and mounted by a jockey.
- c. "Quarter Horse racing" means the form of horse racing where each participating horse is a Quarter Horse registered with the American Quarter Horse Association or any successor organization, mounted by a jockey, and engaged in a race on the flat.
- d. "Paint horse racing" means the form of horse racing in which each participating horse is a Paint horse registered with the American Paint Horse Association or any successor organization and mounted by a jockey.
- e. "Pinto horse racing" means the form of horse racing in which each participating horse is a Pinto horse registered with the Pinto Horse Association of America, Inc. or any successor organization and mounted by a jockey.
- f. "Thoroughbred horse racing" means the form of horse racing in which each participating horse is a Thoroughbred horse registered with the Jockey Club or any successor organization, mounted by a jockey, and engaged in races on the flat;

6. "Minor" means any individual under eighteen (18) years of age;

7. "Minus pool" means a pari-mutuel pool in which, after deducting the take-out, not enough money remains in the pool to pay the legally prescribed minimum return to those placing winning wagers, and in which the organization licensee would be required to pay the remaining amount due;

8. "Occupation licensee" means any person who has obtained an occupation license;

9. "Organization licensee" means any person receiving an organization license;

10. "Pari-mutuel system of wagering" means a form of wagering on the outcome of horse races in which those who wager purchase wagers of various denominations on a horse or horses and all wagers for each race are pooled and held by the organization licensee for distribution. The pari-mutuel system of wagering uses an electric totalizator or similar equipment which automatically registers the wagers made on each horse;

11. "Pari-mutuel pool" means the total money wagered by individuals on any horse or horses in a particular horse race to win, place, or show and held by the organization licensee pursuant to the pari-mutuel system of wagering. There is a separate pari-mutuel pool for win, for place, for show, and for each multiple combination of betting approved by the Oklahoma Horse Racing Commission;

12. "Person" means any individual, partnership, corporation, or other association or entity; and

13. "Race meeting" means the entire period of time not to exceed twenty (20) calendar days separating any race days for which an organization license has been granted to a person by the Commission to hold horse races at which the pari-mutuel system of wagering is conducted, to hold non-pari-mutuel horse races or to conduct accredited work or training races.

B. The Commission may define by rule or regulation any term which is not defined in the Oklahoma Horse Racing Act.

SECTION 2. AMENDATORY 3A O.S. 2001, Section 205, is amended to read as follows:

Section 205. A. No person shall conduct a horse race where the public is charged ~~an~~ any type of fee for admission fee, parking, or to race a horse without a valid organization license issued pursuant to the provisions of the Oklahoma Horse Racing Act.

B. Any person violating the provision of this section, upon conviction, shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment.

SECTION 3. AMENDATORY 3A O.S. 2001, Section 208.3, as amended by Section 4, Chapter 299, O.S.L. 2003 (3A O.S. Supp. 2005, Section 208.3), is amended to read as follows:

Section 208.3 A. There is hereby created in the State Treasury an agency special account for the Oklahoma Horse Racing Commission, to be designated the "Oklahoma Breeding Development Fund Special Account". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission for deposit in the fund pursuant to Section 205.6 of this title and from revenue received as breakage and from unclaimed pari-mutuel tickets. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Commission for the purposes specified in subsection B of this section. Expenditures from said fund shall be made upon vouchers

prescribed by the State Treasurer and issued by the Commission against the Oklahoma Breeding Development Fund Special Account. ~~Any person entitled to monies from the Oklahoma Breeding Development Fund Special Account as a purse supplement, stake, reward, or award, prior to receiving said monies, shall sign an affidavit stating that the horse involved complies with the requirements for the purse supplement, stake, reward, or award~~ The official registering agency designated by the Commission pursuant to subsection D of this section shall verify the current eligibility of a participating horse prior to distributing any purse supplement, stake, reward or award from the Oklahoma Breeding Development Fund Special Account. Any person entitled to monies from the Oklahoma Breeding Development Fund Special Account as a purse supplement, stake, reward, or award ("awards"), will forfeit such monies if that person fails to comply with all requirements necessary for earning the awards. Further, any such person will forfeit such monies if, within one (1) year from the date of the race in which such award was earned, that person does not submit the state voucher for payment or for replacement in the event of an expired voucher, or if that person fails to submit all documentation required by the Oklahoma Horse Racing Commission. In such event, monies accrued from forfeiture will be returned to the Oklahoma Breeding Development Fund for expenditure by the Commission for the purposes specified in subsection B of this section.

B. No monies shall be expended by the Commission from the Oklahoma Breeding Development Fund Special Account except for any of the following purposes:

1. To provide purse supplements to owners of Oklahoma-bred horses;

2. To provide stakes and rewards to be paid to the owners of the winning Oklahoma-bred horses in certain horse races;

3. To provide stallion awards to the owner of the Oklahoma stallion which is the sire of an Oklahoma-bred horse if such a horse wins any race conducted at a race meeting;

4. To provide breeders awards to the owner of the Oklahoma-registered mare which is the dam of an Oklahoma-bred horse if such a horse wins any race conducted at a race meeting;

5. To provide monies for equine research through state institutions accredited for the same;

6. To provide monies for use in marketing, promoting and advertising the Oklahoma-Bred Program and the Oklahoma horse racing industry to the people of Oklahoma, the United States and abroad; and

7. To provide for the administration of the Oklahoma Breeding Development Program. The Oklahoma Horse Racing Commission is hereby authorized to utilize up to ten percent (10%) of the prior year's receipts for administration. All expenses reimbursed as administrative pursuant to this subsection shall be itemized and audited pursuant to subsection E of this section. Any monies

transferred from the Oklahoma Breeding Development Fund Special Account to the Oklahoma Breeding Development Revolving Fund for administrative reimbursement found to be unsubstantiated, excessive or ineligible for reimbursement by said audit shall be returned to the Oklahoma Breeding Development Fund Special Account within thirty (30) days of the conclusion of the audit.

C. By rule the Commission shall:

1. Define the term Oklahoma-bred horse;
2. Qualify stallions for participation in Oklahoma-bred stallion awards;
3. Provide for the registration of Oklahoma-domiciled mares and stallions and Oklahoma-bred horses. No such horse shall compete in the races limited to Oklahoma-bred horses unless registered with the Commission. The Commission may prescribe such forms as are necessary to determine the eligibility of such horses; provided, breeding stallions shall be eligible for registration in the Oklahoma-bred breeding program until July 1 of the breeding year. No person shall knowingly prepare or cause preparation of an application for registration of such foals which contains false information;
4. Establish a schedule of fees for the registration of Oklahoma-domiciled mares and stallions and Oklahoma-bred horses sufficient to provide for all expenses incurred in the administration of the Oklahoma Breeding Development Fund Special Account; and
5. Allow a mare registered as Oklahoma-bred racing stock which has not been registered as an Oklahoma broodmare prior to foaling to be registered as an Oklahoma broodmare upon payment of the registration fee and a late fee not to exceed Two Hundred Dollars (\$200.00), which action shall entitle the foals of the mare to be registered as Oklahoma-bred horses provided all other qualifications of the Commission are met.

D. The Commission may contract with and designate an official registering agency to implement the registration of horses and the payment of awards from the Oklahoma Breeding Development Fund Special Account. The official registering agency shall operate under the supervision of the Commission and be subject to the rules and regulations of the Commission. The official registering agency shall receive no compensation except fees received for registration of horses. In the event the Commission elects to perform as the official registering agency rather than contracting for such services, the Commission shall deposit all registration fees from the registration of Oklahoma-bred horses into the Oklahoma Breeding Development Fund Special Account.

E. The State Auditor and Inspector shall audit the Oklahoma Breeding Development Fund Special Account on an annual basis. The expense of the audit shall be paid from said Special Account.

SECTION 4. AMENDATORY 3A O.S. 2001, Section 208.4, is amended to read as follows:

Section 208.4 A. Any person holding a race or race meeting at which pari-mutuel or non-pari-mutuel wagering is conducted without a valid organization license issued pursuant to the provisions of the Oklahoma Horse Racing Act, upon conviction, shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment.

B. No organization licensee shall knowingly permit any minor to be a patron of the pari-mutuel system of wagering conducted by the organization licensee. Any person convicted of violating any provision of this subsection shall be guilty of a misdemeanor.

SECTION 5. 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 Senate the 24th day of May, 2006.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of May, 2006.

Presiding Officer of the House
of Representatives

