

CS for SB 1399

1 THE STATE SENATE
2 Monday, February 27, 2006

3 Committee Substitute for
4 Senate Bill No. 1399

5 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1399 - By: LERBLANCE of the
6 Senate and ROGGOW of the House.

7 [horse racing - Oklahoma Breeding Development Fund Special
8 Account -
9 emergency]

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

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

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

15 1. "Commission" means the Oklahoma Horse Racing Commission;

16 2. "Enclosure" means all areas of the property of an
17 organization licensee to which admission can be obtained only ~~by~~
18 ~~payment of an admission fee or~~ upon presentation of proper
19 credentials and all parking areas designed to serve the facility
20 which are owned or leased by the organization licensee;

21 3. "Family" means husband, wife, and any dependent children;

22 4. "Financial interest" means an interest that could result in
23 directly or indirectly receiving a pecuniary gain or sustaining a
24 pecuniary loss as a result of ownership or interest in a business

1 entity, or as a result of salary, gratuity, or other compensation or
2 remuneration from any person;

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

6 a. "Arabian horse racing" means the form of horse racing
7 in which each participating horse is an Arabian horse
8 registered with the Arabian Horse Club Registry of
9 America and approved by the Arabian Horse Racing
10 Association of America or any successor organization,
11 mounted by a jockey, and engaged in races on the flat
12 over a distance of not less than one-quarter (1/4)
13 mile or more than four (4) miles.

14 b. "Appaloosa horse racing" means the form of horse
15 racing in which each participating horse is an
16 Appaloosa horse registered with the Appaloosa Horse
17 Club or any successor organization and mounted by a
18 jockey.

19 c. "Quarter Horse racing" means the form of horse racing
20 where each participating horse is a Quarter Horse
21 registered with the American Quarter Horse Association
22 or any successor organization, mounted by a jockey,
23 and engaged in a race on the flat.

- 1 d. "Paint horse racing" means the form of horse racing in
2 which each participating horse is a Paint horse
3 registered with the American Paint Horse Association
4 or any successor organization and mounted by a jockey.
- 5 e. "Pinto horse racing" means the form of horse racing in
6 which each participating horse is a Pinto horse
7 registered with the Pinto Horse Association of
8 America, Inc. or any successor organization and
9 mounted by a jockey.
- 10 f. "Thoroughbred horse racing" means the form of horse
11 racing in which each participating horse is a
12 Thoroughbred horse registered with the Jockey Club or
13 any successor organization, mounted by a jockey, and
14 engaged in races on the flat;
- 15 6. "Minor" means any individual under eighteen (18) years of
16 age;
- 17 7. "Minus pool" means a pari-mutuel pool in which, after
18 deducting the take-out, not enough money remains in the pool to pay
19 the legally prescribed minimum return to those placing winning
20 wagers, and in which the organization licensee would be required to
21 pay the remaining amount due;
- 22 8. "Occupation licensee" means any person who has obtained an
23 occupation license;

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

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

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

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

19 13. "Race meeting" means the entire period of time not to
20 exceed twenty (20) calendar days separating any race days for which
21 an organization license has been granted to a person by the
22 Commission to hold horse races at which the pari-mutuel system of

1 wagering is conducted, to hold non-pari-mutuel horse races or to
2 conduct accredited work or training races.

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

5 SECTION 2. AMENDATORY 3A O.S. 2001, Section 208.3, as
6 amended by Section 4, Chapter 299, O.S.L. 2003 (3A O.S. Supp. 2005,
7 Section 208.3), is amended to read as follows:

8 Section 208.3 A. There is hereby created in the State Treasury
9 an agency special account for the Oklahoma Horse Racing Commission,
10 to be designated the "Oklahoma Breeding Development Fund Special
11 Account". The fund shall be a continuing fund, not subject to
12 fiscal year limitations, and shall consist of all monies received by
13 the Commission for deposit in the fund pursuant to Section 205.6 of
14 this title and from revenue received as breakage and from unclaimed
15 pari-mutuel tickets. All monies accruing to the credit of said fund
16 are hereby appropriated and may be budgeted and expended by the
17 Commission for the purposes specified in subsection B of this
18 section. Expenditures from said fund shall be made upon vouchers
19 prescribed by the State Treasurer and issued by the Commission
20 against the Oklahoma Breeding Development Fund Special Account. ~~Any~~
21 ~~person entitled to monies from the Oklahoma Breeding Development~~
22 ~~Fund Special Account as a purse supplement, stake, reward, or award,~~
23 ~~prior to receiving said monies, shall sign an affidavit stating that~~

1 ~~the horse involved complies with the requirements for the purse~~
2 ~~supplement, stake, reward, or award~~ The official registering agency
3 designated by the Commission pursuant to subsection D of this
4 Section shall verify the current eligibility of a participating
5 horse prior to distributing any purse supplement, stake, reward or
6 award from the Oklahoma Breeding Development Fund Special Account.
7 Any person entitled to monies from the Oklahoma Breeding Development
8 Fund Special Account as a purse supplement, stake, reward, or award
9 ("awards"), will forfeit such monies if that person fails to comply
10 with all requirements necessary for earning the awards. Further,
11 any such person will forfeit such monies if, within one (1) year
12 from the date of the race in which such award was earned, that
13 person does not submit the state voucher for payment or for
14 replacement in the event of an expired voucher, or if that person
15 fails to submit all documentation required by the Oklahoma Horse
16 Racing Commission. In such event, monies accrued from forfeiture
17 will be returned to the Oklahoma Breeding Development Fund for
18 expenditure by the Commission for the purposes specified in
19 subsection B of this section.

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

- 1 1. To provide purse supplements to owners of Oklahoma-bred
2 horses;
- 3 2. To provide stakes and rewards to be paid to the owners of
4 the winning Oklahoma-bred horses in certain horse races;
- 5 3. To provide stallion awards to the owner of the Oklahoma
6 stallion which is the sire of an Oklahoma-bred horse if such a horse
7 wins any race conducted at a race meeting;
- 8 4. To provide breeders awards to the owner of the Oklahoma-
9 registered mare which is the dam of an Oklahoma-bred horse if such a
10 horse wins any race conducted at a race meeting;
- 11 5. To provide monies for equine research through state
12 institutions accredited for the same;
- 13 6. To provide monies for use in marketing, promoting and
14 advertising the Oklahoma-Bred Program and the Oklahoma horse racing
15 industry to the people of Oklahoma, the United States and abroad;
16 and
- 17 7. To provide for the administration of the Oklahoma Breeding
18 Development Program. The Oklahoma Horse Racing Commission is hereby
19 authorized to utilize up to ten percent (10%) of the prior year's
20 receipts for administration. All expenses reimbursed as
21 administrative pursuant to this subsection shall be itemized and
22 audited pursuant to subsection E of this section. Any monies
23 transferred from the Oklahoma Breeding Development Fund Special

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

6 C. By rule the Commission shall:

7 1. Define the term Oklahoma-bred horse;

8 2. Qualify stallions for participation in Oklahoma-bred
9 stallion awards;

10 3. Provide for the registration of Oklahoma-domiciled mares and
11 stallions and Oklahoma-bred horses. No such horse shall compete in
12 the races limited to Oklahoma-bred horses unless registered with the
13 Commission. The Commission may prescribe such forms as are
14 necessary to determine the eligibility of such horses; provided,
15 breeding stallions shall be eligible for registration in the
16 Oklahoma-bred breeding program until July 1 of the breeding year.
17 No person shall knowingly prepare or cause preparation of an
18 application for registration of such foals which contains false
19 information;

20 4. Establish a schedule of fees for the registration of
21 Oklahoma-domiciled mares and stallions and Oklahoma-bred horses
22 sufficient to provide for all expenses incurred in the

1 administration of the Oklahoma Breeding Development Fund Special
2 Account; and

3 5. Allow a mare registered as Oklahoma-bred racing stock which
4 has not been registered as an Oklahoma broodmare prior to foaling to
5 be registered as an Oklahoma broodmare upon payment of the
6 registration fee and a late fee not to exceed Two Hundred Dollars
7 (\$200.00), which action shall entitle the foals of the mare to be
8 registered as Oklahoma-bred horses provided all other qualifications
9 of the Commission are met.

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

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

4 SECTION 3. It being immediately necessary for the preservation
5 of the public peace, health and safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 2-21-06 - DO PASS,
9 As Amended and Coauthored.