

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 984

By: Sparks of the Senate

and

Armes of the House

6  
7  
8  
9 COMMITTEE SUBSTITUTE

10 An Act relating to amusements and sports; enacting  
11 the Interstate Compact on Licensure of Participants  
12 in Live Horse Racing with Pari-mutuel Wagering;  
13 stating purpose; defining terms; specifying process  
14 for compact to become effective; specifying  
15 eligibility requirements; providing procedure for  
16 withdrawal from the compact; creating a compact  
17 committee; specifying duties of the committee;  
18 providing for organization and voting requirements of  
19 the committee; clarifying scope of liability of  
20 members of the committee; specifying the rights and  
21 responsibilities of each party state to the compact;  
22 providing for construction of the compact; providing  
23 for severability; amending Section 3, Chapter 316,  
24 O.S.L. 2004, as amended by Section 1, Chapter 222,  
O.S.L. 2005 (3A O.S. Supp. 2006, Section 262), which  
relates to tribal gaming; removing certain smoking  
restrictions; providing for codification; and  
providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 240 of Title 3A, unless there is  
3 created a duplication in numbering, reads as follows:

4 The Interstate Compact on Licensure of Participants in Live  
5 Horse Racing with Pari-mutuel Wagering is hereby entered into on  
6 behalf of the State of Oklahoma. The Compact provides as follows:

7 INTERSTATE COMPACT ON LICENSURE OF PARTICIPANTS IN LIVE HORSE RACING  
8 WITH PARI-MUTUEL WAGERING

9 ARTICLE I. PURPOSES

10 The purposes of this compact are to:

11 1. Establish uniform requirements among the party states for  
12 the licensing of participants in live horse racing with pari-mutuel  
13 wagering, and ensure that all such participants who are licensed  
14 pursuant to this compact meet a uniform minimum standard of honesty  
15 and integrity;

16 2. Facilitate the growth of the horse racing industry in each  
17 party state and nationwide by simplifying the process for licensing  
18 participants in live racing, and reduce the duplicative and costly  
19 process of separate licensing by the regulatory agency in each state  
20 that conducts live horse racing and pari-mutuel wagering;

21 3. Authorize the Oklahoma Horse Racing Commission to  
22 participate in this compact;

23 4. Provide for participation in this compact by officials of  
24 the party states, and permit those officials, through the compact

1 committee established by this compact, to enter into contracts with  
2 governmental agencies and nongovernmental persons to carry out the  
3 purposes of this compact; and

4 5. Establish the compact committee created by this compact as  
5 an interstate governmental entity duly authorized to request and  
6 receive criminal history record information from the Federal Bureau  
7 of Investigation and other state and local law enforcement agencies.

8 ARTICLE II. DEFINITIONS

9 As used in this compact:

10 1. "Compact committee" means the organization of officials from  
11 the party states that is authorized and empowered by this compact to  
12 carry out the purposes of this compact;

13 2. "Official" means the appointed, elected, designated, or  
14 otherwise duly selected member of a racing commission or the  
15 equivalent thereof in a party state who represents that party state  
16 as a member of the compact committee;

17 3. "Participants in live racing" means participants in live  
18 horse racing with pari-mutuel wagering in the party states;

19 4. "Party state" means each state that has entered this  
20 compact; and

21 5. "State" means each of the several states of the United  
22 States, the District of Columbia, the Commonwealth of Puerto Rico,  
23 and each territory or possession of the United States.

24 ARTICLE III. ENTRY INTO FORCE, ELIGIBLE PARTIES, AND WITHDRAWAL

1       A. This compact shall come into force when enacted by any four  
2 states. Thereafter, this compact shall become effective as to any  
3 other state upon the enactment of this compact by the state and the  
4 affirmative vote of a majority of the officials on the compact  
5 committee.

6       B. Any state that has adopted or authorized horse racing with  
7 pari-mutuel wagering shall be eligible to become party to this  
8 compact.

9       C. Any party state may withdraw from this compact by enacting a  
10 statute repealing this compact, but no such withdrawal shall become  
11 effective until the head of the executive branch of the withdrawing  
12 state has given notice in writing of such withdrawal to the head of  
13 the executive branch of all other party states. If as a result of  
14 withdrawals participation in this compact decreases to less than  
15 three party states, this compact no longer shall be in force and  
16 effect unless and until there are at least three or more party  
17 states again participating in this compact.

18                                   ARTICLE IV. COMPACT COMMITTEE

19       A. There is hereby created an interstate governmental entity to  
20 be known as the "compact committee", which shall be comprised of one  
21 official from the racing commission or its equivalent in each party  
22 state who shall be appointed, serve, and be subject to removal in  
23 accordance with the laws of the party state the official represents.  
24 Pursuant to the laws of the party state, each official shall have

1 the assistance of the racing commission of the state or the  
2 equivalent thereof in considering issues related to licensing of  
3 participants in live racing and in fulfilling the responsibilities  
4 as the representative from the state of the official to the compact  
5 committee. If an official is unable to perform any duty in  
6 connection with the powers and duties of the compact committee, the  
7 racing commission or equivalent thereof from the state shall  
8 designate another of its members as an alternate who shall serve and  
9 represent the party state as its official on the compact committee  
10 until that racing commission or equivalent thereof determines that  
11 the original representative official is able once again to perform  
12 the duties as that party state's representative official on the  
13 compact committee. The designation of an alternate shall be  
14 communicated by the affected state's racing commission or equivalent  
15 thereof to the compact committee as the committee's bylaws may  
16 provide.

17 B. In order to carry out the purposes of this compact, the  
18 compact committee is hereby granted the power and duty to:

19 1. Determine which categories of participants in live racing,  
20 including but not limited to owners, trainers, jockeys, grooms,  
21 mutuel clerks, racing officials, veterinarians, and farriers, should  
22 be licensed by the committee, and establish the requirements for the  
23 initial licensure of applicants in each such category, the term of  
24 the license for each category, and the requirements for renewal of

1 licenses in each category. However, with regard to requests for  
2 criminal history record information on each applicant for a license,  
3 and with regard to the effect of a criminal record on the issuance  
4 or renewal of a license, the compact committee shall determine for  
5 each category of participants in live racing which licensure  
6 requirements for that category are, in its judgment, the most  
7 restrictive licensure requirements of any party state for that  
8 category and shall adopt licensure requirements for that category  
9 that are, in its judgment, comparable to those most restrictive  
10 requirements;

11 2. Investigate applicants for a license from the compact  
12 committee and, as permitted by federal and state law, gather  
13 information on such applicants, including criminal history record  
14 information from the Federal Bureau of Investigation and relevant  
15 state and local law enforcement agencies, and, where appropriate,  
16 from the Royal Canadian Mounted Police and law enforcement agencies  
17 of other countries, necessary to determine whether a license should  
18 be issued under the licensure requirements established by the  
19 committee as provided in paragraph 1 of this subsection. Only  
20 officials on, and employees of, the compact committee may receive  
21 and review such criminal history record information, and those  
22 officials and employees may use that information only for the  
23 purposes of this compact. No such official or employee may disclose  
24 or disseminate such information to any person or entity other than

1 another official or employee of the compact committee. The  
2 fingerprints of each applicant for a license from the compact  
3 committee shall be taken by the compact committee, its employees, or  
4 its designee and, pursuant to Public Law 92-544 or Public Law 100-  
5 413, shall be forwarded to a state identification bureau, or to the  
6 Association of Racing Commissioners, International, an association  
7 of state officials regulating pari-mutuel wagering designated by the  
8 Attorney General of the United States, for submission to the Federal  
9 Bureau of Investigation for a criminal history record check. Such  
10 fingerprints may be submitted on a fingerprint card or by electronic  
11 or other means authorized by the Federal Bureau of Investigation or  
12 other receiving law enforcement agency;

13 3. Issue licenses to, and renew the licenses of, participants  
14 in live racing listed in paragraph 1 of this subsection who are  
15 found by the committee to have met the licensure and renewal  
16 requirements established by the committee. The compact committee  
17 shall not have the power or authority to deny a license. If it  
18 determines that an applicant will not be eligible for the issuance  
19 or renewal of a compact committee license, the compact committee  
20 shall notify the applicant that it will not be able to process the  
21 application further. Such notification does not constitute and  
22 shall not be considered to be the denial of a license. Any such  
23 applicant shall have the right to present additional evidence to,  
24 and to be heard by, the compact committee, but the final decision on

1 issuance or renewal of the license shall be made by the compact  
2 committee using the requirements established pursuant to paragraph 1  
3 of this subsection;

4 4. Enter into contracts or agreements with governmental  
5 agencies and with nongovernmental persons to provide personal  
6 services for its activities and such other services as may be  
7 necessary to effectuate the purposes of this compact;

8 5. Create, appoint, and abolish those offices, employments, and  
9 positions, including an executive director, as it deems necessary  
10 for the purposes of this compact, prescribe their powers, duties,  
11 and qualifications, hire persons to fill those offices, employments,  
12 and positions, and provide for the removal, term, tenure,  
13 compensation, fringe benefits, retirement benefits, and other  
14 conditions of employment of its officers, employees, and other  
15 positions;

16 6. Borrow, accept, or contract for the services of personnel  
17 from any state, the United States, or any other governmental agency,  
18 or from any person, firm, association, corporation, or other entity;

19 7. Acquire, hold, and dispose of real and personal property by  
20 gift, purchase, lease, license, or in other similar manner, in  
21 furtherance of the purposes of this compact;

22 8. Charge a fee to each applicant for an initial license or  
23 renewal of a license; and

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1           9. Receive other funds through gifts, grants, and  
2 appropriations.

3           C. Each official shall be entitled to one vote on the compact  
4 committee.

5           D. All action taken by the compact committee with regard to the  
6 addition of party states, the licensure of participants in live  
7 racing, and the receipt and disbursement of funds shall require a  
8 majority vote of the total number of officials or their alternates  
9 on the committee. All other action by the compact committee shall  
10 require a majority vote of those officials or their alternates  
11 present and voting.

12           E. No action of the compact committee may be taken unless a  
13 quorum is present. A majority of the officials or their alternates  
14 on the compact committee shall constitute a quorum.

15           F. The compact committee shall elect annually from among its  
16 members a chair, a vice-chair, and a secretary/treasurer.

17           G. The compact committee shall adopt bylaws for the conduct of  
18 its business by a two-thirds vote of the total number of officials  
19 or their alternates on the committee at that time and shall have the  
20 power by the same vote to amend and rescind these bylaws. The  
21 committee shall publish its bylaws in convenient form and shall file  
22 a copy thereof and a copy of any amendments thereto with the  
23 Secretary of State or equivalent agency of each of the party states.

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1 H. The compact committee may delegate the day-to-day management  
2 and administration of its duties and responsibilities to an  
3 executive director and support staff.

4 I. Employees of the compact committee shall be considered  
5 governmental employees.

6 J. No official of a party state or employee of the compact  
7 committee shall be held personally liable for any good-faith act or  
8 omission that occurs during the performance and within the scope of  
9 responsibilities and duties under this compact.

10 ARTICLE V. RIGHTS AND RESPONSIBILITIES

11 OF EACH PARTY STATE

12 A. By enacting this compact, each party state:

13 1. Agrees to accept the decisions of the compact committee  
14 regarding the issuance of compact committee licenses to participants  
15 in live racing pursuant to the committee's licensure requirements,  
16 and agrees to reimburse or otherwise pay the expenses of its  
17 official representative on the compact committee or an alternate;

18 2. Agrees not to treat a notification to an applicant by the  
19 compact committee that the compact committee will not be able to  
20 process the application further as the denial of a license, or to  
21 penalize such an applicant in any other way based solely on such a  
22 decision by the compact committee; and

23 3. Reserves the right to charge a fee for the use of a compact  
24 committee license in that state, to apply its own standards in

1 determining whether, on the facts of a particular case, a compact  
2 committee license should be suspended or revoked, to apply its own  
3 standards in determining licensure eligibility, under the laws of  
4 that party state, for categories of participants in live racing that  
5 the compact committee determines not to license and for individual  
6 participants in live racing who do not meet the licensure  
7 requirements of the compact committee, and to establish its own  
8 licensure standards for the licensure of nonracing employees at  
9 horse racetracks and employees at separate satellite wagering  
10 facilities. Any party state that suspends or revokes a compact  
11 committee license shall, through its racing commission or the  
12 equivalent thereof or otherwise, promptly notify the compact  
13 committee of that suspension or revocation.

14 B. No party state shall be held liable for the debts or other  
15 financial obligations incurred by the compact committee.

16 ARTICLE VI. CONSTRUCTION AND SEVERABILITY

17 This compact shall be liberally construed so as to effectuate  
18 its purposes. The provisions of this compact shall be severable,  
19 and, if any phrase, clause, sentence, or provision of this compact  
20 is declared to be contrary to the Constitution of the United States  
21 or of any party state, or the applicability of this compact to any  
22 government, agency, person, or circumstance is held invalid, the  
23 validity of the remainder of this compact and the applicability  
24 thereof to any government, agency, person, or circumstance shall not

1 | be affected thereby. If all or some portion of this compact is held  
2 | to be contrary to the constitution of any party state, the compact  
3 | shall remain in full force and effect as to the remaining party  
4 | states and in full force and effect as to the state affected as to  
5 | all severable matters.

6 | SECTION 2. AMENDATORY Section 3, Chapter 316, O.S.L.  
7 | 2004, as amended by Section 1, Chapter 222, O.S.L. 2005 (3A O.S.  
8 | Supp. 2006, Section 262), is amended to read as follows:

9 | Section 262. A. If at least four ~~(4)~~ Indian tribes enter into  
10 | the model tribal-state compact set forth in Section 281 of this  
11 | title, and such compacts are approved by the Secretary of the  
12 | Interior and notice of such approval is published in the Federal  
13 | Register, the Oklahoma Horse Racing Commission ("Commission") shall  
14 | license organization licensees which are licensed pursuant to  
15 | Section 205.2 of this title to conduct authorized gaming as that  
16 | term is defined by this act pursuant to this act utilizing gaming  
17 | machines or devices authorized by this act subject to the  
18 | limitations of subsection C of this section. No fair association or  
19 | organization licensed pursuant to Section 208.2 of this title or a  
20 | city, town or municipality incorporated or otherwise, or an  
21 | instrumentality thereof, may conduct authorized gaming as that term  
22 | is defined by this act.

23 | Notwithstanding the provisions of Sections 941 through 988 of  
24 | Title 21 of the Oklahoma Statutes, the conducting of and

1 participation in gaming in accordance with the provisions of this  
2 act or the model compact set forth in Section 281 of this title is  
3 lawful and shall not be subject to any criminal penalties. Provided  
4 further, a licensed manufacturer or distributor licensed pursuant to  
5 this act may manufacture, exhibit or store as a lawful activity any  
6 machines or devices which are capable of being used to conduct the  
7 following types of gaming:

- 8 1. Gaming authorized by the State-Tribal Gaming Act; or
- 9 2. Other gaming which may be lawfully conducted by an Indian  
10 tribe in this state.

11 B. Authorized gaming may only be conducted by an organization  
12 licensee on days when the licensee is either conducting live racing  
13 or is accepting wagers on simulcast races at the licensee's racing  
14 facilities. In any week, authorized gaming may be conducted for not  
15 more than one hundred six (106) total hours, with not more than  
16 eighteen (18) hours in any twenty-four-hour period. Authorized  
17 gaming may only be conducted by organization licensees at enclosure  
18 locations where live racing is conducted. Under no circumstances  
19 shall authorized gaming be conducted by an organization licensee at  
20 any facility outside the organization licensee's racing enclosure.  
21 No person who would not be eligible to be a patron of a pari-mutuel  
22 system of wagering pursuant to the provisions of subsection B of  
23 Section 208.4 of this title shall be admitted into any area of a  
24 facility when authorized games are played nor be permitted to

1 operate, or obtain a prize from, or in connection with, the  
2 operation of any authorized game, directly or indirectly.

3 C. In order to encourage the growth, sustenance and development  
4 of live horse racing in this state and of the state's agriculture  
5 and horse industries, the Commission is hereby authorized to issue  
6 licenses to conduct authorized gaming to no more than three (3)  
7 organization licensees operating racetrack locations at which horse  
8 race meetings with pari-mutuel wagering, as authorized by the  
9 Commission pursuant to the provisions of this title, occurred in  
10 calendar year 2001, as follows:

11 1. An organization licensee operating a racetrack location at  
12 which an organization licensee is licensed to conduct a race meeting  
13 pursuant to the provisions of Section 205.2 of this title located in  
14 a county with a population exceeding six hundred thousand (600,000)  
15 persons, according to the most recent federal decennial census,  
16 shall be licensed to operate not more than six hundred fifty (650)  
17 player terminals in any year. ~~Provided, beginning~~ Beginning with  
18 the third year after an organization licensee is licensed pursuant  
19 to this paragraph to operate such player terminals, such licensee  
20 may be licensed to operate an additional fifty (50) player terminals  
21 ~~in a nonsmoking area. Provided further, beginning~~ Beginning with  
22 the fifth year after an organization licensee is licensed pursuant  
23 to this paragraph to operate such player terminals, such licensee

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1 may be licensed to operate a further additional fifty (50) player  
2 terminals ~~in a nonsmoking area~~; and

3 2. Two organization licensees operating racetrack locations at  
4 which the organization licensees are licensed to conduct race  
5 meetings pursuant to the provisions of Section 205.2 of this title  
6 located in counties with populations not exceeding four hundred  
7 thousand (400,000) persons, according to the most recent federal  
8 decennial census, may each be licensed to operate not more than two  
9 hundred fifty (250) player terminals in any year.

10 Subject to the limitations on the number of player terminals  
11 permitted to each organization licensee, an organization licensee  
12 may utilize electronic amusement games as defined in this act,  
13 electronic bonanza-style bingo games as defined in this act and  
14 electronic instant bingo games as defined in this act, and any type  
15 of gaming machine or device that is specifically allowed by law and  
16 that an Indian tribe in this state is authorized to utilize pursuant  
17 to a compact entered into between the state and the tribe in  
18 accordance with the provisions of the Indian Gaming Regulatory Act  
19 and any other machine or device that an Indian tribe in this state  
20 is lawfully permitted to operate pursuant to the Indian Gaming  
21 Regulatory Act, referred to collectively as "authorized games". An  
22 organization licensee's utilization of such machines or devices  
23 shall be subject to the regulatory control and supervision of the  
24 Commission; provided, the Commission shall have no role in oversight

1 and regulation of gaming conducted by a tribe subject to a compact.  
2 The Commission shall promulgate rules to regulate the operation and  
3 use of authorized gaming by organization licensees. In promulgating  
4 such rules, the Commission shall consider the provisions of any  
5 compact which authorizes electronic gaming which is specifically  
6 authorized by law by an Indian tribe. For the purpose of paragraphs  
7 1 and 2 of this subsection, the number of player terminals in an  
8 authorized game that permits multiple players shall be determined by  
9 the maximum number of players that can participate in that game at  
10 any given time; provided, however, that nothing in this act  
11 prohibits the linking of player terminals for progressive jackpots,  
12 so long as the limitations on the number of permitted player  
13 terminals at each organization licensee are not exceeded. Each  
14 organization licensee shall keep a record of, and shall report at  
15 least quarterly to the Oklahoma Horse Racing Commission, the number  
16 of games authorized by this section utilized in the organization  
17 licensee's facility, by the name or type of each and its identifying  
18 number.

19 D. No zoning or other local ordinance may be adopted or amended  
20 by a political subdivision where an organization licensee conducts  
21 live horse racing with the intent to restrict or prohibit an  
22 organization licensee's right to conduct authorized gaming at such  
23 location.

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1 E. For purposes of this act, "adjusted gross revenues" means  
2 the total receipts received by an organization licensee from the  
3 play of all authorized gaming minus all monetary payouts.

4 F. The Oklahoma Horse Racing Commission shall promulgate rules  
5 to regulate, implement and enforce the provisions of this act with  
6 regard to the conduct of authorized gaming by organization  
7 licensees; provided, regulation and oversight of games covered by a  
8 compact and operated by an Indian tribe shall be conducted solely  
9 pursuant to the requirements of the compact.

10 G. If an organization licensee operates or attempts to operate  
11 more player terminals which offer authorized games than it is  
12 authorized to offer to the public by this act or the terms of its  
13 license, upon written notice from the Commission, such activity  
14 shall cease forthwith. Such activity shall constitute a basis upon  
15 which the Commission may suspend or revoke the licensee's license.  
16 The Commission shall promulgate any rules and regulations necessary  
17 to enforce the provisions of this subsection.

18 H. This act is game-specific and shall not be construed to  
19 allow the operation of any other form of gaming unless specifically  
20 allowed by this act. This act shall not permit the operation of  
21 slot machines, dice games, roulette wheels, house-banked card games  
22 or games where winners are determined by the outcome of a sports  
23 contest.

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SECTION 3. This act shall become effective November 1, 2007.

51-1-7924           CJB           04/17/07