

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 2799

By: Brown

4
5
6 AS INTRODUCED

7 An Act relating to amusements and sports; amending 3A
8 O.S. 2001, Sections 200.1, as last amended by Section
9 1, Chapter 1, O.S.L. 2007, 201, as last amended by
10 Section 2, Chapter 177, O.S.L. 2006, 202, as amended
11 by Section 2, Chapter 217, O.S.L. 2005, 203, 203.1,
12 as amended by Section 3, Chapter 217, O.S.L. 2005,
13 203.3, 203.5 and 204.1A (3A O.S. Supp. 2007, Sections
14 200.1, 201, 202 and 203.1), which relate to the
15 Oklahoma Horse Racing Act; adding definition;
16 reconfiguring the Oklahoma Horse Racing Commission;
17 adding Commission eligibility restriction; removing
18 removal power of Governor; providing procedure for
19 filling vacancy; modifying Commission membership
20 restrictions; removing Commission term limit;
21 expanding prohibition on wagers on horse races;
22 removing restrictions on certain behaviors by
23 Commissioners; requiring certain individuals to be
24 CLEET certified; prohibiting certain people from
being stewards; re-creating the Oklahoma Horse Racing
Commission Revolving fund; specifying funds for
deposit in Fund; stating purpose; and providing an
effective date.

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

SECTION 1. AMENDATORY 3A O.S. 2001, Section 200.1, as
last amended by Section 1, Chapter 1, O.S.L. 2007 (3A O.S. Supp.
2007, Section 200.1), is amended to read as follows:

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

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

3 2. "Enclosure" means all buildings, structures and grounds
4 utilized for the conduct of a race meeting and/or gaming at the race
5 track and any additional areas designated by the Oklahoma Horse
6 Racing Commission;

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

8 4. "Financial interest" means an interest that could result in
9 directly or indirectly receiving a pecuniary gain or sustaining a
10 pecuniary loss as a result of ownership or interest in a business
11 entity, or as a result of salary, gratuity, or other compensation or
12 remuneration from any person;

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

16 a. "Arabian horse racing" means the form of horse racing
17 in which each participating horse is an Arabian horse
18 registered with the Arabian Horse Club Registry of
19 America and approved by the Arabian Horse Racing
20 Association of America or any successor organization,
21 mounted by a jockey, and engaged in races on the flat
22 over a distance of not less than one-quarter (1/4)
23 mile or more than four (4) miles.

1 b. "Appaloosa horse racing" means the form of horse
2 racing in which each participating horse is an
3 Appaloosa horse registered with the Appaloosa Horse
4 Club or any successor organization and mounted by a
5 jockey.

6 c. "Quarter Horse racing" means the form of horse racing
7 where each participating horse is a Quarter Horse
8 registered with the American Quarter Horse Association
9 or any successor organization, mounted by a jockey,
10 and engaged in a race on the flat.

11 d. "Paint horse racing" means the form of horse racing in
12 which each participating horse is a Paint horse
13 registered with the American Paint Horse Association
14 or any successor organization and mounted by a jockey.

15 e. "Pinto horse racing" means the form of horse racing in
16 which each participating horse is a Pinto horse
17 registered with the Pinto Horse Association of
18 America, Inc. or any successor organization and
19 mounted by a jockey.

20 f. "Thoroughbred horse racing" means the form of horse
21 racing in which each participating horse is a
22 Thoroughbred horse registered with the Jockey Club or
23 any successor organization, mounted by a jockey, and
24 engaged in races on the flat.

1 "Horse racing" shall not mean the racing of a cloned horse
2 regardless of whether any breed association has registered the
3 horse;

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

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

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

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

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

22 11. "Pari-mutuel pool" means the total money wagered by
23 individuals on any horse or horses in a particular horse race to
24 win, place, or show and held by the organization licensee pursuant

1 to the pari-mutuel system of wagering. There is a separate pari-
2 mutuel pool for win, for place, for show, and for each multiple
3 combination of betting approved by the Oklahoma Horse Racing
4 Commission;

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

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

13 14. "Commissioner" shall mean the Commissioner of Labor or a
14 designee.

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

17 SECTION 2. AMENDATORY 3A O.S. 2001, Section 201, as last
18 amended by Section 2, Chapter 177, O.S.L. 2006 (3A O.S. Supp. 2007,
19 Section 201), is amended to read as follows:

20 Section 201. A. There is hereby created the Oklahoma Horse
21 Racing Commission, which shall consist of ~~nine (9) members appointed~~
22 ~~by the Governor with the advice and consent of the Senate. At least~~
23 ~~one member shall be appointed from each congressional district, and~~
24 ~~at least three of the remaining members shall be experienced in the~~

1 ~~horse industry and shall be appointed from the state at large.~~
2 ~~However, when congressional districts are redrawn each member~~
3 ~~appointed prior to July 1 of the year in which such modification~~
4 ~~becomes effective shall complete the current term of office, and~~
5 ~~appointments made after July 1 of the year in which such~~
6 ~~modification becomes effective shall be based on the redrawn~~
7 ~~districts. Appointments made after July 1 of the year in which such~~
8 ~~modification becomes effective shall be from any redrawn districts~~
9 ~~which are not represented by a board member until such time as each~~
10 ~~of the modified congressional districts is represented by a board~~
11 ~~member seven (7) members of which two shall be appointed by the~~
12 ~~Governor with the advice and consent of the State Senate, two by the~~
13 ~~Speaker of the Oklahoma House of Representatives, two by the~~
14 ~~President Pro Tempore of the State Senate and one by the~~
15 ~~Commissioner of Labor who shall serve as the Chairman of the~~
16 ~~Commission.~~

17 B. To be eligible for appointment to the Commission, a person
18 shall:

19 1. Be a citizen of the United States;

20 2. Have been a resident of this state for five (5) years
21 immediately preceding the appointment; and

22 3. Not have been convicted of a felony pursuant to the laws of
23 this state, the laws of any other state, or the laws of the United
24

1 States as established by a national criminal history record check as
2 defined by Section 150.9 of Title 74 of the Oklahoma Statutes; and
3 4. Not hold a license issued by the Oklahoma Horse Racing
4 Commission.

5 C. The term of office of a member of the Commission shall be
6 for ~~six (6)~~ four (4) years and until a successor is appointed and
7 qualified.

8 ~~D. The Governor may remove any member of the Commission for~~
9 ~~incompetence, neglect of duty, or malfeasance in office upon first~~
10 ~~giving the member a copy of the charges and an opportunity to be~~
11 ~~heard.~~ A vacancy on the Commission shall be filled for the
12 unexpired term by appointment made by the ~~Governor~~ holder of the
13 office who made the original appointment.

14 SECTION 3. AMENDATORY 3A O.S. 2001, Section 202, as
15 amended by Section 2, Chapter 217, O.S.L. 2005 (3A O.S. Supp. 2007,
16 Section 202), is amended to read as follows:

17 Section 202. No individual shall be a member of the Commission
18 if the individual or a member of the family of the individual has a
19 financial interest in any organization licensee ~~and no individual~~
20 ~~other than an individual required by the provisions of Section 201~~
21 ~~of this title to be experienced in the horse industry shall be a~~
22 ~~member of the Commission~~ or holds a license issued by the
23 Commission, or if the individual or a member of the family of the
24 individual has a financial interest in any business entity which

1 does business with any organization licensee or owns an interest in
2 any racehorse which participates in any race meeting supervised by
3 the Commission.

4 SECTION 4. AMENDATORY 3A O.S. 2001, Section 203, is
5 amended to read as follows:

6 Section 203. A. The Commission shall meet at such times and
7 places within this state as the Commission determines. The members
8 of the Commission shall annually elect a ~~chairman,~~ vice-chairman,
9 and secretary from the membership of the Commission. ~~No member of~~
10 ~~the Commission shall serve more than two (2) successive terms as~~
11 ~~chairman.~~ A majority of the members shall constitute a quorum.

12 B. The proceedings of all meetings of the Commission shall
13 comply with the provisions of the Oklahoma Open Meeting Act.

14 C. The Attorney General shall advise the Commission and
15 represent it in all legal proceedings or actions resulting from the
16 exercise of the powers and duties of the Commission pursuant to the
17 provisions of the Oklahoma Horse Racing Act; however, nothing in
18 this section shall be construed to prohibit the Commission from
19 engaging private counsel if they deem it necessary to protect the
20 integrity of horse racing in Oklahoma.

21 D. Each member of the Commission shall receive Fifty Dollars
22 (\$50.00) for each day spent in the actual discharge of duties for
23 the Commission. All members of the Commission shall be reimbursed
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1 for expenses incurred in the performance of their duties pursuant to
2 the provisions of the State Travel Reimbursement Act.

3 SECTION 5. AMENDATORY 3A O.S. 2001, Section 203.1, as
4 amended by Section 3, Chapter 217, O.S.L. 2005 (3A O.S. Supp. 2007,
5 Section 203.1), is amended to read as follows:

6 Section 203.1 A. A member of the Oklahoma Horse Racing
7 Commission shall not accept any compensation, gift, loan,
8 entertainment or favor from any occupation or organization licensee,
9 except such suitable facilities and services within the enclosure of
10 an organization licensee as may be required by the member to
11 facilitate the proper performance of his or her duties. ~~A member of~~
12 ~~the Oklahoma Horse Racing Commission, other than a member required~~
13 ~~by the provisions of Section 201 of this title to be experienced in~~
14 ~~the horse industry, shall not accept any compensation or service~~
15 ~~from any occupation or organization licensee, except such suitable~~
16 ~~facilities and services within the enclosure of an organization~~
17 ~~licensee as may be required by the member to facilitate the proper~~
18 ~~performance of his or her duties.~~

19 B. No member of the Commission or Commission employee shall
20 place or direct any wagers on any horse race over which the
21 Commission has jurisdiction.

22 C. Members of the Commission and members of their immediate
23 families, and Commission employees and members of their immediate
24 families are prohibited from receiving purse supplements, stakes,

1 rewards, stallion awards, broodmare awards, or breeders awards of
2 any kind, or marketing, promotion, or advertising monies of any kind
3 from the Oklahoma Breeding Development Fund Special Account
4 administered by the Commission pursuant to Section 208.3 of this
5 title. "Immediate family" has the meaning provided by Rule 257:1-1-
6 2 of the Rules of the Ethics Commission, Chapter 62, App. of Title
7 74 of the Oklahoma Statutes.

8 ~~D. Nothing in this section shall prohibit members of the~~
9 ~~Commission, who are required by the provisions of Section 201 of~~
10 ~~this title to be experienced in the horse industry, from receiving~~
11 ~~purses for participating horses from an organization licensee.~~

12 ~~E. Provided, any member of the Commission who has an ownership~~
13 ~~interest in any horse shall be prohibited from participating in the~~
14 ~~discussion on, voting on, influencing or attempting to influence the~~
15 ~~official action of the Commission in any matter affecting the~~
16 ~~eligibility of such horse to participate in any race or which~~
17 ~~determines the amount or receipt of any purse by the Commission~~
18 ~~member or any member of the family of the Commission member.~~

19 ~~A commissioner shall be eligible to participate in the discussion~~
20 ~~on, vote on, influence or attempt to influence the official action~~
21 ~~of the Commission if the only benefit to accrue to the Commissioner~~
22 ~~or any member of the Commissioner's family is a benefit which~~
23 ~~accrues to the Commissioner or a member of the Commissioner's family~~
24 ~~as a result of being a member of a large class to no greater extent~~

1 ~~than could reasonably be foreseen to accrue to all other members of~~
2 ~~the large class.~~

3 SECTION 6. AMENDATORY 3A O.S. 2001, Section 203.3, is
4 amended to read as follows:

5 Section 203.3 A. The Commission shall appoint an executive
6 director who shall have the same qualifications as a member of the
7 Commission. The qualification regarding the residency requirement
8 for Commission members shall not apply to the executive director.
9 The executive director shall have experience in the horse racing
10 industry of a character and for a length of time sufficient, in the
11 opinion of the Commission, to fulfill the duties required of the
12 executive director. The Commission shall determine the duties and
13 compensation of the executive director.

14 B. The executive director shall recommend to the Commission the
15 administrative organization and the number and qualifications of
16 employees necessary without regard to race, color, gender, creed or
17 national origin, to implement the provisions of the Oklahoma Horse
18 Racing Act. A written equal opportunity plan will be developed for
19 the Commission, by the executive director as part of the
20 organizational plan. Upon approval of the organizational plan by
21 the Commission, the executive director may employ such persons as
22 are deemed necessary to implement the provisions of the Oklahoma
23 Horse Racing Act.

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1 C. 1. The organizational plan adopted by the Commission shall
2 provide for a law enforcement division which shall have the
3 responsibility for conducting investigations relating to the proper
4 conduct of horse racing and the pari-mutuel system of wagering
5 including but not limited to barring undesirables from horse racing,
6 undercover investigations, fingerprinting persons licensed by the
7 Commission, and reviewing license applications. The person in
8 charge of the law enforcement division shall be a CLEET-certified
9 professional law enforcement officer with a minimum of five (5)
10 years of experience in the field of law enforcement and a graduate
11 of a four-year college with a degree in law enforcement
12 administration, law, criminology or a related science, or in lieu
13 thereof a minimum of ten (10) years of experience in the field of
14 law enforcement. Officers shall have up to one (1) year to be
15 certified from the effective date of this act.

16 2. The officers and agents of the law enforcement division of
17 the Commission, and such other employees as the person in charge of
18 said division shall designate to perform duties in the investigation
19 and prevention of crime and the enforcement of the criminal laws of
20 the state, shall have and exercise all the powers and authority of
21 peace officers, including the right and power of search and seizure.
22 The officers and agents of the law enforcement division of the
23 Commission shall be CLEET-certified. Officers shall have until
24 January 1, 2010, to be certified.

1 3. The Oklahoma State Bureau of Investigation shall provide
2 such information within its possession as is requested by the law
3 enforcement division of the Commission for the purpose of reviewing
4 license applications.

5 4. If upon investigation by the Commission there is substantial
6 evidence indicating that the security at any track is not
7 satisfactory, the Commission may order the organization licensee to
8 remedy the deficiency. If after ten (10) days following the order
9 the organization licensee has not remedied the deficiency, the
10 Commission may institute its own security personnel program until
11 the deficiency in security is remedied, and may charge the
12 organization licensee the actual costs incurred for said security.
13 The organization licensee may petition the Commission for a hearing
14 at any time to review the necessity of the Commission further
15 maintaining its own security personnel.

16 5. The provisions of this subsection shall not be construed to
17 restrict or prohibit any federal, state, or local law enforcement
18 officer or agency from performing any duties imposed upon the law
19 enforcement officer or agency by law.

20 D. The executive director shall obtain a surety bond in the
21 amount of One Hundred Thousand Dollars (\$100,000.00) before entering
22 into the duties of the office. The surety bond shall be conditioned
23 upon the faithful performance of the duties of the executive
24 director and the proper accounting of all moneys and property

1 received by the executive director by virtue of the office. The
2 cost of the surety bond shall be paid by the Commission.

3 SECTION 7. AMENDATORY 3A O.S. 2001, Section 203.5, is
4 amended to read as follows:

5 Section 203.5 A. The Commission shall require applicants for a
6 license as a steward to pass an examination on matters relating to
7 the duties of stewards. Examinations shall be held at such times
8 and places as may be determined by the Commission. Notice of the
9 times and places of the examinations shall be given as determined by
10 the Commission. The Commission shall prepare both written and oral
11 examinations to be taken by persons applying for qualification as
12 stewards, requesting and taking into consideration suggestions from
13 representatives of horsemen, organization licensees, stewards, and
14 other interested and knowledgeable groups. The written examinations
15 may be administered by members of the Commission staff. Oral
16 examinations shall be conducted by an oral examination panel to
17 include at least two Commission members.

18 B. The Commission may examine any person who:

19 1. Has not been convicted of a crime involving moral turpitude
20 or of a felony; and

21 2. Has completed an accredited senior high school or its
22 equivalent; and

23 3. Has been given a physical examination by a licensed
24 physician within sixty (60) days prior to the date of application

1 for the steward's examination, indicating at least 20-20 vision or
2 vision corrected to at least 20-20, and normal hearing ability; and

3 4. Has one of the following:

4 a. at least five (5) years of experience in the
5 pari-mutuel horse racing industry as a licensed
6 trainer, or jockey~~-,~~

7 b. at least ten (10) years of experience in the
8 pari-mutuel horse racing industry as a licensed owner
9 whose experience, knowledge, ability, and integrity
10 relative to the industry are known to the Commission~~-,~~

11 c. at least three (3) years of experience as a licensed
12 racing official, racing secretary, assistant racing
13 secretary, or director of racing~~-,~~ or

14 d. experience in the horse racing industry of a character
15 and for a length of time sufficient, in the opinion of
16 the Commission, to be substantially equivalent to the
17 requirements of subparagraphs a, b, or c of this
18 paragraph.

19 5. ~~A steward shall have the same restrictions and~~
20 ~~qualifications as a member of the Commission as listed in Section~~
21 202 No individual shall be a steward if the individual holds a
22 license, other than a steward license, from the Commission and if
23 the individual or a member of the family of the individual has a
24 financial interest in any business entity which does business with

1 any organization license or owns an interest in any racehorse which
2 participates in any race meeting supervised by the Commission.

3 C. For the purpose of paragraph 4 of subsection B of this
4 section, one (1) year of experience shall mean at least one hundred
5 (100) days actually worked within one (1) calendar year. An
6 original license for a steward issued pursuant to the provisions of
7 the Oklahoma Horse Racing Act shall be issued for a period of the
8 calendar year in which it is issued, and shall be renewable for a
9 period not to exceed three (3) years, which the Commission may
10 establish by regulation. The Commission may establish a license fee
11 schedule consistent with the different periods for which such
12 licenses may be granted. The license shall be valid at all race
13 meetings in this state during the period for which it is issued,
14 unless it is suspended or revoked prior to the expiration of such
15 period.

16 SECTION 8. AMENDATORY 3A O.S. 2001, Section 204.1A, is
17 amended to read as follows:

18 Section 204.1A ~~A. The Oklahoma Horse Racing Commission~~
19 ~~Revolving Fund is hereby abolished.~~

20 ~~B. All unencumbered balances contained in the Oklahoma Horse~~
21 ~~Racing Commission Revolving Fund as of July 1, 1986, shall be~~
22 ~~deposited to the credit of the General Revenue Fund of the State~~
23 ~~Treasury. The Director of State Finance shall be authorized to~~
24

1 ~~transfer the unencumbered balance described by this subsection to~~
2 ~~the General Revenue Fund.~~

3 C. ~~Any unexpended balance contained in the Oklahoma Horse~~
4 ~~Racing Commission Revolving Fund as of November 15, 1986, shall be~~
5 ~~transferred and deposited to the credit of the General Revenue Fund~~
6 ~~of the State Treasury. The Director of State Finance shall be~~
7 ~~authorized to transfer the unexpended balance described by this~~
8 ~~subsection to the General Revenue Fund.~~

9 D. ~~All funds received by the Commission from fees, fines,~~
10 ~~reimbursements, and sale of materials shall be deposited to the~~
11 ~~credit of the General Revenue Fund of the State Treasury~~ There is
12 hereby created in the State Treasury a revolving fund for the
13 Oklahoma Department of Labor to be designated the "Oklahoma Horse
14 Racing Commission Revolving Fund". The fund shall be a continuing
15 fund, not subject to fiscal year limitations, and shall consist of
16 all monies received from fees, administrative fines, reimbursements,
17 bond proceeds, sale of materials, grants and gifts, pursuant to the
18 Oklahoma Horse Racing Act. All monies accruing to the credit of the
19 Oklahoma Horse Racing Fund are hereby appropriated and may be
20 budgeted and expended by the Oklahoma Department of Labor at the
21 request of the Commission for the purpose of implementing the
22 provisions of the Oklahoma Horse Racing Act. Expenditures from said
23 fund shall be made upon warrants issued by the State Treasurer

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1 against claims filed as prescribed by law with the Director of State
2 Finance for approval and payment.

3 SECTION 9. This act shall become effective January 1, 2009.

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