

THE HOUSE OF REPRESENTATIVES  
Tuesday, April 6, 2010

Committee Substitute for  
ENGROSSED  
Senate Bill No. 820

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 820 - By:  
NICHOLS of the Senate and TERRILL of the House.

An Act relating to amusements and sports; amending 3A O.S. 2001, Section 208.3, as last amended by Section 3, Chapter 274, O.S.L. 2006 (3A O.S. Supp. 2009, Section 208.3), which relates to the Oklahoma Breeding Development Fund Special Account; increasing amount that may be spent on administration; expanding permissible spending purposes to include funding of entities caring for certain animals; providing for establishment of eligibility criteria; and providing an effecting date.

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

1 SECTION 1. AMENDATORY 3A O.S. 2001, Section 208.3, as last amended by  
2 Section 3, Chapter 274, O.S.L. 2006 (3A O.S. Supp. 2009, Section 208.3), is amended to  
3 read as follows:

4 Section 208.3 A. There is hereby created in the State Treasury an agency special  
5 account for the Oklahoma Horse Racing Commission, to be designated the "Oklahoma  
6 Breeding Development Fund Special Account". The fund shall be a continuing fund, not  
7 subject to fiscal year limitations, and shall consist of all monies received by the  
8 Commission for deposit in the fund pursuant to Section 205.6 of this title and from  
9 revenue received as breakage and from unclaimed pari-mutuel tickets. All monies

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

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

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

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

1 returned to the Oklahoma Breeding Development Fund Special Account within thirty  
2 (30) days of the conclusion of the audit; and

3 8. To provide funding to any nonprofit entity that is based in Oklahoma and  
4 exempt from taxation pursuant to the provisions of the United States Internal Revenue  
5 Code, 26 U.S.C. Section 501(c), for the purpose of providing care of retired and unwanted  
6 Oklahoma-bred racing stock.

7 C. By rule the Commission shall:

8 1. Define the term Oklahoma-bred horse;

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

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

17 4. Establish a schedule of fees for the registration of Oklahoma-domiciled mares  
18 and stallions and Oklahoma-bred horses sufficient to provide for all expenses incurred in  
19 the administration of the Oklahoma Breeding Development Fund Special Account; ~~and~~

20 5. Allow a mare registered as Oklahoma-bred racing stock which has not been  
21 registered as an Oklahoma broodmare prior to foaling to be registered as an Oklahoma  
22 broodmare upon payment of the registration fee and a late fee not to exceed Two

1 Hundred Dollars (\$200.00), which action shall entitle the foals of the mare to be  
2 registered as Oklahoma-bred horses provided all other qualifications of the Commission  
3 are met; and

4 6. Establish criteria which a nonprofit entity based in Oklahoma must meet to be  
5 eligible to receive funds for the purpose of caring for retired and unwanted Oklahoma-  
6 bred racing stock.

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

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

20 SECTION 2. This act shall become effective November 1, 2010.

21 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,  
22 dated 04-05-10 - DO PASS, As Amended.