

SB 1905

3 Senate Bill No. 1905  
4 As Amended

5 SENATE BILL NO. 1905 - By: Coates and Leftwich of the Senate and  
6 Armes of the House.

7 [ amusements and sports - Oklahoma Horse Racing Act -  
8 codification - effective date ]

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

10 SECTION 1. AMENDATORY 3A O.S. 2001, Section 205.6, is  
11 amended to read as follows:

12 Section 205.6 A. Any organization licensee conducting a race  
13 meeting may provide places on the race meeting grounds at which it  
14 may conduct and supervise the pari-mutuel system of wagering on the  
15 horse races conducted by the organization licensee at the race  
16 meeting. No other place or method of betting, pool making,  
17 wagering, or gambling shall be used or permitted by the organization  
18 licensee. The pari-mutuel system of wagering shall be permitted  
19 only on horse races conducted at a racetrack where such pari-mutuel  
20 system of wagering is authorized pursuant to the provisions of the  
21 Oklahoma Horse Racing Act.

22 B. Each organization licensee that holds a race meeting at  
23 which the pari-mutuel system of wagering is conducted shall retain

1 an amount equal to eighteen percent (18%) of all money wagered, to  
2 be distributed as follows:

3 1. The first One Hundred Million Dollars (\$100,000,000.00)  
4 wagered per calendar year for each type of racing shall be  
5 distributed as follows provided, that all racing dates exclusively  
6 for Thoroughbred racing in a calendar year shall be combined for the  
7 purpose of computing taxation rates and all racing dates for mixed  
8 racing and all other individual breeds in a calendar year shall be  
9 combined but considered separate from Thoroughbred racing for the  
10 purpose of computing taxation rates:

11 a. One-ninth (1/9) of the eighteen percent (18%) shall be  
12 remitted to the Oklahoma Tax Commission on the first  
13 business day following the close of the racing day on  
14 which it was assessed. One hundred percent (100%) of  
15 the revenue derived pursuant to the provisions of this  
16 paragraph shall be apportioned monthly to the General  
17 Revenue Fund of the state for the support of the state  
18 government, to be paid out only pursuant to  
19 appropriation by the Legislature; and

20 b. Five-ninths (5/9) of the eighteen percent (18%) shall  
21 be retained by the organization licensee; and





1           which it was assessed. One hundred percent (100%) of  
2           the revenue derived pursuant to the provisions of this  
3           paragraph shall be apportioned monthly to the General  
4           Revenue Fund of the state for the support of the state  
5           government, to be paid out only pursuant to  
6           appropriation by the Legislature; and

7           b. One-third (1/3) of the eighteen percent (18%) shall be  
8           retained by the organization licensee; and

9           c. One-third (1/3) of the eighteen percent (18%) shall be  
10          retained by the organization licensee to be  
11          distributed as purses for participating horses; and

12          d. Two-ninths (2/9) of the eighteen percent (18%) shall  
13          be retained by the organization licensee to be  
14          distributed as follows:

15               (1) seventy-five percent (75%) as purses for  
16               participating horses, and

17               (2) twenty-five percent (25%) shall be remitted to  
18               the Commission, at such intervals as required by  
19               the Commission, for deposit in the Oklahoma  
20               Breeding Development Fund Special Account.

21          C. Notwithstanding any other provisions of this act, the state  
22          shall collect six percent (6%) of the total amount wagered under the

1 provisions of this act at such time the organization licensee has no  
2 further debt service.

3 D. In addition to the amount required to be retained by the  
4 provisions of subsection B of this section, each organization  
5 licensee holding a race meeting at which the pari-mutuel system of  
6 wagering is conducted shall retain an additional amount equal to  
7 three percent (3%) of all money wagered on multiple race wagers  
8 involving not to exceed two races and on multiple horse wagers not  
9 to exceed two horses in the same race.

10 Such amount shall be retained by the organization licensee to be  
11 distributed as follows:

12 1. Two-thirds (2/3) of three percent (3%) shall be distributed:

13 a. Seventy-five percent (75%) as purses for participating  
14 horses; and

15 b. Twenty-five percent (25%) shall be remitted to the  
16 Commission, at such intervals or required by the  
17 Commission, for deposit in the Oklahoma Breeding  
18 Development Fund Special Account.

19 2. One-third (1/3) of the three percent (3%) shall be  
20 distributed:

21 a. Fifty percent (50%) as purses for participating  
22 horses; and

23 b. Fifty percent (50%) to the organization licensee.

1           E. Each organization licensee shall retain an amount not less  
2 than twenty-one percent (21%) nor greater than twenty-five percent  
3 (25%) of all money wagered on multiple race wagers involving more  
4 than two races, and on multiple horse wagers involving more than two  
5 horses such amount shall be distributed as follows:

6           1. Eighteen percent (18%) pursuant to subsection B of this  
7 section;

8           2. Three percent (3%) pursuant to subsection D of this section;  
9 and

10          3. Of the remainder, fifty percent (50%) to be distributed as  
11 purses for participating horses and fifty percent (50%) to the  
12 organization licensee.

13          F. Organization licensees shall keep accurate books and records  
14 of all moneys wagered on each day of a race meeting and of the taxes  
15 paid pursuant to the provisions of this section. The Oklahoma Tax  
16 Commission or an authorized representative shall have access at all  
17 reasonable times to such records for the purpose of examining and  
18 checking the records and ascertaining whether the proper amount of  
19 taxes is being paid. The Oklahoma Tax Commission shall require  
20 verified reports and a statement of the total of all moneys wagered  
21 daily at a race meeting and may prescribe forms upon which such  
22 reports and statement shall be made. The organization licensee  
23 shall provide the Oklahoma Tax Commission with such space and

1 accommodations as may be necessary for the Oklahoma Tax Commission  
2 to implement its duties pursuant to the provisions of the Oklahoma  
3 Horse Racing Act.

4 G. No revenue bonds issued by a public trust, as authorized by  
5 the provisions of Title 62 of the Oklahoma Statutes, shall be used  
6 to finance any racetrack or racing facility.

7 H. All monies retained or to be distributed for purses shall be  
8 held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of  
9 this act for the duly designated horsemen's organization for purses.

10 SECTION 2. AMENDATORY 3A O.S. 2001, Section 205.6A, is  
11 amended to read as follows:

12 Section 205.6A A. Any organization licensee shall file with  
13 the Oklahoma Horse Racing Commission its plan to conduct pari-mutuel  
14 wagering at a facility or facilities located outside the  
15 organization licensee's racing enclosure. Such pari-mutuel wagering  
16 may be conducted at any time as authorized by the Commission. The  
17 conducting of pari-mutuel wagering at a facility outside the  
18 organization licensee's enclosure is subject to the following:

19 1. Pari-mutuel wagering shall be permitted only in a county  
20 which approves or has approved the conducting of pari-mutuel horse  
21 racing in that county pursuant to the provisions of Section 209 of  
22 this title;

1           2. Pari-mutuel wagering conducted by an organization licensee  
2 shall not be permitted within thirty (30) miles of another  
3 organization licensee's racing enclosure without the express  
4 permission granted by the other organization licensee;

5           3. All pari-mutuel wagering facilities located outside any  
6 organization licensee's racing enclosure shall be operated in  
7 accordance with all applicable rules of the Oklahoma Horse Racing  
8 Commission Rules of Racing (Pari-Mutuel Edition);

9           4. The organization licensee sending its racing signal to a  
10 facility or facilities outside its racing enclosure may combine the  
11 pari-mutuel pools of all facilities with those of the organization  
12 licensee for the purpose of determining odds and computing payoffs.  
13 The amount of money to be retained and distributed by the  
14 organization licensee and to be remitted to the Oklahoma Tax  
15 Commission from money wagered pursuant to the provisions of this  
16 section shall be the same as set forth in paragraph 1 of subsection  
17 B, in subsection D, and in subsection E of Section 205.6 of this  
18 title and in Section 208.2 of this title;

19           5. One percent (1%) of the total monies wagered at a facility  
20 other than an organization licensee's racing enclosure shall be  
21 distributed from the amount retained pursuant to paragraph 4 of this  
22 subsection as follows:

- 1           a.    ten percent (10%) to the State Auditor and Inspector
- 2                    for the purpose of auditing such facilities, and
- 3           b.    forty-five percent (45%) to the county in which the
- 4                    facility is located, and
- 5           c.    forty-five percent (45%) to the city in which the
- 6                    facility is located, or
- 7           d.    if the facility is not located within the corporate
- 8                    limits of any city, ninety percent (90%) to the county
- 9                    in which the facility is located;

10           6.    The distribution for purses at facilities other than an  
11 organization licensee's racing enclosures shall be:

- 12           a.    six and one-half percent (6.5%) of total handle during
- 13                    the first thirty-six (36) months after the opening of
- 14                    a facility in a county, and
- 15           b.    seven and one-half percent (7.5%) of total handle
- 16                    thereafter.

17           Upon completion of three hundred sixty-five (365) calendar days  
18 since the opening of a facility in a county, the thirty-six-month  
19 period commences retroactive to the opening of that facility.  If  
20 the facility does not operate for three hundred sixty-five (365)  
21 calendar days, a new facility may be opened and operated, with the  
22 thirty-six-month period commencing consistent with this paragraph.  
23 If a facility terminates operation after the three-hundred-sixty-

1 fifth calendar day, all days shall be allotted to subsequent  
2 facilities not to exceed one thousand ninety-five (1,095) calendar  
3 days per facility; and

4 7. The organization licensee, after the distribution to the  
5 Oklahoma Tax Commission pursuant to the provisions of paragraph 4 of  
6 this subsection and distributions pursuant to paragraphs 5 and 6 of  
7 this subsection, shall retain the balance of the monies wagered.

8 B. Notification by an organization licensee to conduct pari-  
9 mutuel wagering at a facility or facilities outside of the  
10 organization licensee's racing enclosure shall be made annually to  
11 the Oklahoma Horse Racing Commission. An organization licensee may  
12 make an original notification to conduct pari-mutuel wagering at a  
13 facility or facilities outside of the organization licensee's racing  
14 enclosure at any time.

15 C. All persons employed in the actual conduct of pari-mutuel  
16 wagering at a facility outside an organization licensee's racing  
17 enclosure shall be licensed by the Commission, consistent with  
18 Section 204.2 of this title.

19 D. Breakage and unclaimed ticket proceeds shall be distributed  
20 in the manner applicable to the races of the racing program of the  
21 organization licensee sending the racing program.

1        E. All monies retained or to be distributed for purses shall be  
2 held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of  
3 this act for the duly designated horsemen's organization for purses.

4        SECTION 3.        AMENDATORY        3A O.S. 2001, Section 205.7, as  
5 amended by Section 1, Chapter 152, O.S.L. 2002 (3A O.S. Supp. 2009,  
6 Section 205.7), is amended to read as follows:

7        Section 205.7 A. The Oklahoma Horse Racing Commission may  
8 authorize an organization licensee to accept wagers on the results  
9 of out-of-state full racing programs for simulcast races as follows:

10        1. On days when the organization licensee is conducting live  
11 racing, the licensee may accept wagers on out-of-state full racing  
12 programs during the hours when it is conducting live racing, and may  
13 accept wagers on the results of out-of-state full racing programs  
14 during the hours it is not conducting live racing;

15        2.    a. On days when the organization licensee is not  
16                conducting live racing, the licensee may accept wagers  
17                on the results of out-of-state full racing programs,  
18                provided that the number of days, not included in its  
19                race meeting, which an organization licensee may be  
20                authorized to accept wagering pursuant to this  
21                paragraph is limited to fifty percent (50%) of the  
22                number of days the licensee conducts live racing;



1 meetings held by the organization licensee if the wagers on the out-  
2 of-state races are not being combined with the pari-mutuel pool or  
3 pools where the race or races are being run.

4 E. For the day on which the out-of-state race is offered, each  
5 organization licensee shall pay the state share of the organization  
6 licensee at the rate applicable to the races of the racing program  
7 of the organization licensee.

8 F. Breakage and unclaimed ticket proceeds shall be distributed  
9 in the manner applicable to the races of the racing program of the  
10 organization licensee.

11 G. Except as otherwise provided by law, the amount remaining  
12 from the deduction pursuant to the provisions of subsection D of  
13 this section after payment of the state share and the contractual  
14 payment to the out-of-state host racing organization, shall be  
15 distributed as follows:

- 16 1. Fifty percent (50%) to the organization licensee; and
- 17 2. Fifty percent (50%) to the organization licensee to be  
18 distributed as purses.

19 H. An organization licensee accepting wagers on out-of-state  
20 full racing programs pursuant to subsection A of this section shall,  
21 for any year in which it intends to accept such out-of-state full  
22 racing programs, make application to the Commission for not less

1 than eighty percent (80%) of the number of live racing days awarded  
2 for each race meeting to that licensee in 1996.

3 I. Notwithstanding subsection H of this section, any  
4 organization licensee may apply for less than the eighty percent  
5 (80%) of the number of live race days for a designated race meeting  
6 awarded to the licensee in 1996 if such application is approved by  
7 the organization licensee's official horsemen's representative at  
8 that designated race meeting.

9 J. One-tenth of one percent (1/10 of 1%) of the total monies  
10 wagered at the racing enclosure on out-of-state simulcast races  
11 shall be remitted by the organization licensee from the amount  
12 retained pursuant to this section to the State Auditor and Inspector  
13 for the purpose of auditing racing facilities.

14 K. All monies retained or to be distributed for purses shall be  
15 held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of  
16 this act for the duly designated horsemen's organization for purses.

17 SECTION 4. AMENDATORY 3A O.S. 2001, Section 208.2, as  
18 amended by Section 23, Chapter 8, O.S.L. 2004 (3A O.S. Supp. 2009,  
19 Section 208.2), is amended to read as follows:

20 Section 208.2 A. Any fair association organized pursuant to  
21 the provisions of Title 2 of the Oklahoma Statutes for Agricultural  
22 Fair Corporations, the Free Oklahoma State Fair, Free District  
23 Fairs, and Agricultural and Industrial Expositions and Fairs or any

1 existing county, district, or state fair as of January 1, 1983, may  
2 apply to the Commission for one race meeting each year to be held  
3 within the boundaries of the county where the fair association is  
4 located. The Oklahoma Horse Racing Commission may set the number of  
5 days and the dates of such race meeting requested by the fair  
6 association. A race meeting conducted by a fair association shall  
7 not exceed sixteen (16) days during a twenty-eight-consecutive-day  
8 period or a fair association shall be permitted to conduct a race  
9 meeting of twenty (20) to twenty-two (22) days during a thirty-  
10 eight-consecutive-day period. A race meeting conducted pursuant to  
11 the provisions of this section shall be conducted in such a manner  
12 that all profits shall accrue to the fair association.

13 B. Each organization licensee that, pursuant to this section,  
14 holds a race meeting at which the pari-mutuel system of wagering is  
15 conducted shall retain the following amounts from the monies  
16 wagered:

- 17 1. On win, place, and show wagers, an amount equal to eighteen  
18 percent (18%) shall be retained and distributed as follows:
- 19 a. two-thirds (2/3) of the eighteen percent (18%) to the  
20 organization licensee, and
  - 21 b. one-third (1/3) of the eighteen percent (18%) to  
22 purses for participating horses;

1           2. On race wagers involving two races or two horses, an amount  
2 equal to twenty-one percent (21%) shall be retained and distributed  
3 as follows:

- 4           a. one percent (1%) shall be remitted to the Commission,  
5                   at such intervals as required by the Commission, for  
6                   deposit in the Oklahoma Breeding and Development Fund  
7                   Special Account for participating horses,
- 8           b. two-thirds (2/3) of the balance of the amount retained  
9                   to the organization licensee, and
- 10          c. one-third (1/3) of the balance of the amount retained  
11                   to purses for participating horses;

12          3. On race wagers involving three or more races or three or  
13 more horses, an amount equal to not less than twenty-one percent  
14 (21%) nor more than twenty-five percent (25%) shall be retained and  
15 distributed as follows:

- 16          a. one percent (1%) shall be remitted to the Commission,  
17                   at such intervals as required by the Commission, for  
18                   deposit in the Oklahoma Breeding and Development Fund  
19                   Special Account for participating horses,
- 20          b. two-thirds (2/3) of the balance of the amount retained  
21                   to the organization licensee, and
- 22          c. one-third (1/3) of the balance of the amount retained  
23                   to purses for participating horses; and



1 retained from wagers by the sending track. The amount of money  
2 retained shall be distributed as follows:

- 3 1. Fifty percent (50%) to the organization licensee; and
- 4 2. Fifty percent (50%) to the organization licensee as purses  
5 for participating horses.

6 D. The Commission shall issue occupation licenses for personnel  
7 of organization licensees licensed pursuant to this section. Each  
8 occupation license shall be issued pursuant to Section 204.2 of this  
9 title except that the occupation license fee shall not be more than  
10 Ten Dollars (\$10.00) excluding fingerprinting fees.

11 E. All monies retained or to be distributed for purses shall be  
12 held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of  
13 this act for the duly designated horsemen's organization for purses.

14 SECTION 5. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 208.13 of Title 3A, unless there  
16 is created a duplication in numbering, reads as follows:

17 A. Each organization licensee shall utilize a Horsemen's  
18 Bookkeeper who shall, at a minimum, maintain the records and  
19 accounts prescribed in this section or in the rules of the Oklahoma  
20 Horse Racing Commission. The Horsemen's Bookkeeper may be an  
21 employee of the organization licensee, may be employed jointly by  
22 two or more organization licensees, or may be an entity which  
23 contracts with one or more organization licensees.

1           B. The records of the Horsemen's Bookkeeper shall include the  
2 following:

3           1. The name, mailing address, social security number or federal  
4 tax identification number, and the state or country of residence of  
5 each horse owner, trainer, and jockey participating at a race  
6 meeting who has funds due or on deposit in a horsemen's account; and

7           2. All statements of partnerships, syndicates, corporations,  
8 assignments of interest, lease agreements, and registrations of  
9 authorized agents.

10          C. All records of the Horsemen's Bookkeeper shall be kept  
11 separate from the records of the organization licensee or licensees.

12          D. All funds on account with the Horsemen's Bookkeeper shall be  
13 maintained as follows:

14           1. In one or more trust accounts which are separate from all  
15 accounts of the organization licensee with each designated as a  
16 "Horsemen's Trust Account"; and

17           2. In trust accounts which are fully insured by the Federal  
18 Deposit Insurance Corporation or the Federal Savings and Loan  
19 Insurance Corporation.

20          E. 1. The Horsemen's Bookkeeper shall receive, maintain, and  
21 disburse the purses of each race and all stakes, entrance money,  
22 jockey fees, purchase money in claiming races, along with all

1 applicable taxes and other monies that properly come into the  
2 possession of the Horsemen's Bookkeeper.

3 2. All disbursements pursuant to this subsection shall be made  
4 within forty-eight (48) hours of approval by the stewards unless a  
5 protest or appeal has been filed with the stewards or the  
6 Commission, except that minimum jockey mount fees may be disbursed  
7 prior to such approval. All disbursements subject to a protest or  
8 appeal shall be made within forty-eight (48) hours of receipt of a  
9 dismissal or a final non-appealable order disposing of such protest  
10 or appeal.

11 3. Except as otherwise provided in this subsection and in the  
12 absence of a prior request, all disbursements pursuant to this  
13 subsection shall be made within fifteen (15) days after the last  
14 race day of the race meeting.

15 F. The Horsemen's Bookkeeper may accept, hold, and pay monies  
16 due and belonging to other organizations, licensees, or  
17 meetings; provided, prompt payment or return shall be made to  
18 the person or entity to which it is due.

19 G. All records of the Horsemen's Bookkeeper shall be subject to  
20 inspection and audit by the Commission at any time.

21 H. The Horsemen's Bookkeeper and the organization licensee or  
22 licensees employing the Horsemen's Bookkeeper shall be subject to  
23 disciplinary action by the Commission.

1 I. The Horsemen's Bookkeeper, each organization licensee  
2 employing the Horsemen's Bookkeeper, and the managing officers of  
3 each organization licensee employing the Horsemen's Bookkeeper,  
4 shall be jointly and severally responsible to ensure that the  
5 amounts retained from the pari-mutuel handle are distributed  
6 according to the Oklahoma Horse Racing Act and the orders and rules  
7 of the Commission.

8 SECTION 6. This act shall become effective November 1, 2010.

9 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & LABOR, dated 2-8-10 -  
10 DO PASS, As Amended and Coauthored.