

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2376 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Leslie Osborn

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 2376

By: Osborn (Leslie) and Wallace
of the House

and

David and Fields of the
Senate

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to amusements and sports; amending 3A O.S. 2011, Section 262, which relates to state-tribal gaming; eliminating prohibition on certain types of gaming; prohibiting certain types of gaming; providing exception; authorizing non-house-banked table games in accordance with the Model Tribal Gaming Compact; defining terms; authorizing administrative fees; authorizing pool seeding; requiring submission of certain written elections; requiring payment of certain fee; authorizing retention of certain amounts; clarifying scope of authorization of organization licensees related to gaming; providing that certain acts are lawful; authorizing the Governor to negotiate and execute compact supplements under certain conditions; authorizing sports pools; requiring publication for certain period of certain agreements prior to execution; prohibiting certain requests for renegotiations under certain conditions; providing for codification; and declaring an emergency.

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

2 SECTION 1. AMENDATORY 3A O.S. 2011, Section 262, is
3 amended to read as follows:

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

18 Notwithstanding the provisions of Sections 941 through 988 of
19 Title 21 of the Oklahoma Statutes, the conducting of and
20 participation in gaming in accordance with the provisions of this
21 act or the model compact set forth in Section 281 of this title is
22 lawful and shall not be subject to any criminal penalties. Provided
23 further, a licensed manufacturer or distributor licensed pursuant to
24 this act may manufacture, exhibit or store as a lawful activity any

1 machines or devices which are capable of being used to conduct the
2 following types of gaming:

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

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

22 C. In order to encourage the growth, sustenance and development
23 of live horse racing in this state and of the state's agriculture
24 and horse industries, the Commission is hereby authorized to issue

1 licenses to conduct authorized gaming to no more than three (3)
2 organization licensees operating racetrack locations at which horse
3 race meetings with pari-mutuel wagering, as authorized by the
4 Commission pursuant to the provisions of this title, occurred in
5 calendar year 2001, as follows:

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

20 2. Two organization licensees operating racetrack locations at
21 which the organization licensees are licensed to conduct race
22 meetings pursuant to the provisions of Section 205.2 of this title
23 located in counties with populations not exceeding four hundred
24 thousand (400,000) persons, according to the most recent federal

1 decennial census, may each be licensed to operate not more than two
2 hundred fifty (250) player terminals in any year.

3 Subject to the limitations on the number of player terminals
4 permitted to each organization licensee, an organization licensee
5 may utilize electronic amusement games as defined in this act,
6 electronic bonanza-style bingo games as defined in this act and
7 electronic instant bingo games as defined in this act, and any type
8 of gaming machine or device that is specifically allowed by law and
9 that an Indian tribe in this state is authorized to utilize pursuant
10 to a compact entered into between the state and the tribe in
11 accordance with the provisions of the Indian Gaming Regulatory Act
12 and any other machine or device that an Indian tribe in this state
13 is lawfully permitted to operate pursuant to the Indian Gaming
14 Regulatory Act, referred to collectively as "authorized games". An
15 organization licensee's utilization of such machines or devices
16 shall be subject to the regulatory control and supervision of the
17 Commission; provided, the Commission shall have no role in oversight
18 and regulation of gaming conducted by a tribe subject to a compact.
19 The Commission shall promulgate rules to regulate the operation and
20 use of authorized gaming by organization licensees. In promulgating
21 such rules, the Commission shall consider the provisions of any
22 compact which authorizes electronic gaming which is specifically
23 authorized by law by an Indian tribe. For the purpose of paragraphs
24 1 and 2 of this subsection, the number of player terminals in an

1 authorized game that permits multiple players shall be determined by
2 the maximum number of players that can participate in that game at
3 any given time; provided, however, that nothing in this act
4 prohibits the linking of player terminals for progressive jackpots,
5 so long as the limitations on the number of permitted player
6 terminals at each organization licensee are not exceeded. Each
7 organization licensee shall keep a record of, and shall report at
8 least quarterly to the Oklahoma Horse Racing Commission, the number
9 of games authorized by this section utilized in the organization
10 licensee's facility, by the name or type of each and its identifying
11 number.

12 D. No zoning or other local ordinance may be adopted or amended
13 by a political subdivision where an organization licensee conducts
14 live horse racing with the intent to restrict or prohibit an
15 organization licensee's right to conduct authorized gaming at such
16 location.

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

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

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

H. This act is game-specific and shall not be construed to allow the operation of any other form of gaming unless specifically allowed by this act. This act shall not permit the operation of slot machines, ~~dice games, roulette wheels,~~ house-banked card games, house-banked table games involving dice or roulette wheels, or ~~games where winners are determined by~~ wagering on the outcome of a sports contest; provided however, that wagering on the outcome of sports contests may be conducted in accordance with Section 3 of this act.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 280.1 of Title 3A, unless there is created a duplication in numbering, reads as follows:

A. Pursuant to the offer of the Model Tribal Gaming Compact found in Section 280 of Title 3A of the Oklahoma Statutes and the definition of "covered games" in the Model Tribal Gaming Compact

1 codified in Section 280 of Title 3A of the Oklahoma Statutes, which
2 contemplates that a tribe may elect to conduct additional forms of
3 gaming under said compact if additional game offerings are approved
4 by the State Legislature, the State Legislature hereby approves an
5 additional game offering in the form of non-house-banked table
6 games, in accordance with the Model Tribal Gaming Compact. "Non-
7 house-banked table games" means any table game, including but not
8 limited to those table games involving a wheel, ball or dice,
9 operated in a nonelectronic environment in which the tribe has no
10 interest in the outcome of the game, including games played in
11 tournament formats and games in which the tribe collects a fee from
12 the player for participating, and all bets are placed in a common
13 pool or pot from which all player winnings, prizes and direct costs
14 are paid. As provided in this section, administrative fees may be
15 charged by the tribe against any common pool in an amount equal to
16 any fee paid the state; provided, that the tribe may seed the pool
17 as it determines necessary from time to time.

18 B. Should a federally recognized tribe that has compacted with
19 the state in accordance with Sections 280 and 281 of Title 3A of the
20 Oklahoma Statutes, desire to operate non-house-banked table games,
21 said tribe shall provide a written election to operate non-house-
22 banked table games in accordance with this section and pay the fee
23 provided in subsection C of this section. To be effective, said
24 written election shall be signed by the chief executive officer of

1 the tribal government whose authority to execute the election shall
2 be set forth in an accompanying law, ordinance, resolution or
3 charter by the governing body of the tribe, a copy of which shall be
4 provided by the tribe to the Governor. No further action by the
5 state is required in order to effectuate this additional game
6 offering. A tribe accepting this additional game offering is
7 responsible for submitting a copy of its written election to the
8 Secretary of the Interior for approval and publication in the
9 Federal Register. Upon such election by the tribe and approval by
10 the Secretary of the Interior, said election shall be construed as
11 an acceptance of this offer and a supplement to the tribe's existing
12 gaming compact with the state and non-house-banked table games shall
13 be deemed a covered game pursuant to the Tribal-State Compact
14 between the state and the electing tribe.

15 C. Upon providing a written election and upon approval of the
16 Secretary of the Interior, the tribe shall be deemed in agreement to
17 pay ten percent (10%) of the monthly net win of the common pool(s)
18 or pot(s) from which prizes are paid for non-house-banked table
19 games. The tribe shall be entitled to keep an amount equal to state
20 payments from the common pool(s) or pot(s) as part of its cost of
21 operating the games. Such payment shall be deemed an exclusivity
22 and fee payment under paragraph 2 of subsection A of Part 11 of the
23 Tribal-State Compact between the electing tribe and the state.

1 D. The offer contained in this section shall not be construed
2 to permit the operation of any additional form of gaming by
3 organization licensees or to permit any additional electronic or
4 machine gaming within Oklahoma.

5 E. Notwithstanding the provisions of Sections 941 through 988
6 of Title 21 of the Oklahoma Statutes, the conducting of and
7 participation in any game authorized pursuant to this section shall
8 be lawful when played pursuant to a compact supplement which has
9 become effective in accordance with the provisions of this section.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 280.2 of Title 3A, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Provided that federal laws permit and that any compact
14 supplement is published on the Oklahoma Secretary of State's website
15 not less than seven (7) consecutive calendar days prior to
16 execution, the Governor of the State of Oklahoma is hereby
17 authorized to negotiate and execute a supplement to the tribal-state
18 compacts expanding the definition of covered game to include "sports
19 pools", which means any wagering on the outcome of one or more
20 competitive games in which athletes participate, or on one or more
21 performances of such athletes in such games where all bets are
22 placed in a common pool or pot from which all player winnings,
23 prizes and direct costs are paid. As provided herein,
24 administrative fees may be charged by the tribe against any common

1 pool in an amount equal to any fee paid the state; provided, that
2 the tribe may seed the pool as it determines necessary from time to
3 time.

4 B. The supplement will be contingent upon the applicable
5 tribe's agreement to pay a fee to the state equal to ten percent
6 (10%) of the monthly net win of the common pool(s) or pot(s) from
7 which prizes are paid for sports pools. Such fee paid to the state
8 will be deemed an exclusivity and fee payment under paragraph 2 of
9 subsection A of Part 11 of the tribal-state compact between the
10 state and the applicable tribe. The tribe will be entitled to keep
11 an amount equal to state payments from the common pool(s) or pot(s)
12 as part of its cost of operating the game.

13 C. The offer contained in this section shall not be construed
14 to permit the operation of any additional form of gaming by
15 organization licensees or to permit any additional electronic or
16 machine gaming within Oklahoma.

17 D. Notwithstanding the provisions of Sections 941 through 988
18 of Title 21 of the Oklahoma Statutes, the conduction of and
19 participation in any game authorized pursuant to this section shall
20 be lawful when played pursuant to a compact supplement which has
21 become effective in accordance with this section.

22 SECTION 4. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 280.3 of Title 3A, unless there
24 is created a duplication in numbering, reads as follows:

1 No compact, compact modification, compact extension, compact
2 supplement or other instrument of the like related to gaming
3 resulting after consideration or negotiation by the Governor shall
4 be formally entered by the Governor or executed prior to the
5 publication, for not less than seven (7) consecutive calendar days
6 on the Oklahoma Secretary of State's website, of the full text of
7 such compact, compact modification, compact extension, compact
8 supplement or other instrument of the like.

9 SECTION 5. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 281.1 of Title 3A, unless there
11 is created a duplication in numbering, reads as follows:

12 Notwithstanding compact terms specifically authorizing requests
13 for renegotiations, the state, acting through the Governor, prior to
14 January 1, 2035, shall not request to renegotiate with a tribe the
15 terms of subsections A and E of Part 11 of a tribal gaming compact
16 modeled under the provisions of Section 281 of Title 3A of the
17 Oklahoma Statutes, provided such tribe has, within thirty (30) days
18 of the effective date of this act, formally waived the tribe's
19 authority to request such renegotiation.

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

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