

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 1836

By: Osborn (Leslie)

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7 COMMITTEE SUBSTITUTE

8 An Act relating to amusements and sports; amending 3A
9 O.S. 2011, Section 262, which relates to certain
10 organization licensees; modifying provisions related
11 to authorized gaming; modifying authorized operating
12 hours; providing an effective date; and declaring an
13 emergency.

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

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

17 Section 262. A. If at least four Indian tribes enter into the
18 model tribal-state compact set forth in Section 281 of this title,
19 and such compacts are approved by the Secretary of the Interior and
20 notice of such approval is published in the Federal Register, the
21 Oklahoma Horse Racing Commission ("Commission") shall license
22 organization licensees which are licensed pursuant to Section 205.2
23 of this title to conduct authorized gaming as that term is defined
24 by this act pursuant to this act utilizing gaming machines or

1 devices authorized by this act subject to the limitations of
2 subsection C of this section. No fair association or organization
3 licensed pursuant to Section 208.2 of this title or a city, town or
4 municipality incorporated or otherwise, or an instrumentality
5 thereof, may conduct authorized gaming as that term is defined by
6 this act.

7 Notwithstanding the provisions of Sections 941 through 988 of
8 Title 21 of the Oklahoma Statutes, the conducting of and
9 participation in gaming in accordance with the provisions of this
10 act or the model compact set forth in Section 281 of this title is
11 lawful and shall not be subject to any criminal penalties. Provided
12 further, a licensed manufacturer or distributor licensed pursuant to
13 this act may manufacture, exhibit or store as a lawful activity any
14 machines or devices which are capable of being used to conduct the
15 following types of gaming:

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

19 B. ~~Authorized~~ Except for Christmas Day, authorized gaming may
20 only be conducted by an organization licensee on days when the
21 licensee is either conducting live racing or is accepting wagers on
22 simulcast races at the licensee's racing facilities. ~~In any week,~~
23 ~~authorized gaming may be conducted for not more than one hundred six~~
24 ~~(106) total hours, with not more than eighteen (18) hours in any~~

1 ~~twenty-four hour period.~~ Authorized gaming may only be conducted by
2 organization licensees at enclosure locations where live racing is
3 conducted. Under no circumstances shall authorized gaming be
4 conducted by an organization licensee at any facility outside the
5 organization licensee's racing enclosure. No person who would not
6 be eligible to be a patron of a pari-mutuel system of wagering
7 pursuant to the provisions of subsection B of Section 208.4 of this
8 title shall be admitted into any area of a facility when authorized
9 games are played nor be permitted to operate, or obtain a prize
10 from, or in connection with, the operation of any authorized game,
11 directly or indirectly.

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

20 1. An organization licensee operating a racetrack location at
21 which an organization licensee is licensed to conduct a race meeting
22 pursuant to the provisions of Section 205.2 of this title located in
23 a county with a population exceeding six hundred thousand (600,000)
24 persons, according to the most recent federal decennial census,

1 shall be licensed to operate not more than six hundred fifty (650)
2 player terminals in any year. Beginning with the third year after
3 an organization licensee is licensed pursuant to this paragraph to
4 operate such player terminals, such licensee may be licensed to
5 operate an additional fifty (50) player terminals. Beginning with
6 the fifth year after an organization licensee is licensed pursuant
7 to this paragraph to operate such player terminals, such licensee
8 may be licensed to operate a further additional fifty (50) player
9 terminals; and

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

17 Subject to the limitations on the number of player terminals
18 permitted to each organization licensee, an organization licensee
19 may utilize electronic amusement games as defined in this act,
20 electronic bonanza-style bingo games as defined in this act and
21 electronic instant bingo games as defined in this act, and any type
22 of gaming machine or device that is specifically allowed by law and
23 that an Indian tribe in this state is authorized to utilize pursuant
24 to a compact entered into between the state and the tribe in

1 accordance with the provisions of the Indian Gaming Regulatory Act
2 and any other machine or device that an Indian tribe in this state
3 is lawfully permitted to operate pursuant to the Indian Gaming
4 Regulatory Act, referred to collectively as "authorized games". An
5 organization licensee's utilization of such machines or devices
6 shall be subject to the regulatory control and supervision of the
7 Commission; provided, the Commission shall have no role in oversight
8 and regulation of gaming conducted by a tribe subject to a compact.
9 The Commission shall promulgate rules to regulate the operation and
10 use of authorized gaming by organization licensees. In promulgating
11 such rules, the Commission shall consider the provisions of any
12 compact which authorizes electronic gaming which is specifically
13 authorized by law by an Indian tribe. For the purpose of paragraphs
14 1 and 2 of this subsection, the number of player terminals in an
15 authorized game that permits multiple players shall be determined by
16 the maximum number of players that can participate in that game at
17 any given time; provided, however, that nothing in this act
18 prohibits the linking of player terminals for progressive jackpots,
19 so long as the limitations on the number of permitted player
20 terminals at each organization licensee are not exceeded. Each
21 organization licensee shall keep a record of, and shall report at
22 least quarterly to the Oklahoma Horse Racing Commission, the number
23 of games authorized by this section utilized in the organization
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1 licensee's facility, by the name or type of each and its identifying
2 number.

3 D. No zoning or other local ordinance may be adopted or amended
4 by a political subdivision where an organization licensee conducts
5 live horse racing with the intent to restrict or prohibit an
6 organization licensee's right to conduct authorized gaming at such
7 location.

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

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

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

1 H. This act is game-specific and shall not be construed to
2 allow the operation of any other form of gaming unless specifically
3 allowed by this act. This act shall not permit the operation of
4 slot machines, dice games, roulette wheels, house-banked card games
5 or games where winners are determined by the outcome of a sports
6 contest.

7 SECTION 2. This act shall become effective July 1, 2017.

8 SECTION 3. It being immediately necessary for the preservation
9 of the public peace, health or safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

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