

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1858

By: Osborn (Leslie)

AS INTRODUCED

An Act relating to amusements and sports; creating the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund; providing for deposit of monies to fund; amending 3A O.S. 2011, Section 204.1A, which relates to the Oklahoma Horse Commission Revolving Fund; modifying provisions related to deposit of funds to the General Revenue Fund; amending 3A O.S. 2011, Section 204.2, which relates to certain occupation licenses; providing for apportionment of occupational license fees to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund; amending 3A O.S. 2011, Section 205.2, which relates to organization licenses; providing for apportionment of fees to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund; amending 3A O.S. 2011, Section 205.6, which relates to certain pari-mutuel system of wagering; providing for apportionment of certain revenues to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund; modifying apportionments to the General Revenue Fund; amending 3A O.S. 2011, Section 262, which relates to authorized gaming licenses; modifying restriction related to operating hours; authorizing gaming on designated day; amending 3A O.S. 2011, Section 263, which relates to distributions and payments by licensees; providing for apportionment of certain amounts to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund; prescribing time limit for apportionment of revenues; providing for determinations by the Oklahoma Horse Racing Commission regarding revenue percentages; providing for adjustments to gaming revenues to be retained by organization licensees based upon Commission determinations; modifying revenue apportionments;

1 providing for codification; providing an effective  
2 date; and declaring an emergency.

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4  
5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

6 SECTION 1. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 204.1C of Title 3A, unless there  
8 is created a duplication in numbering, reads as follows:

9 There is hereby created in the State Treasury a revolving fund  
10 for the Oklahoma Horse Racing Commission to be designated as the  
11 "Oklahoma Horse Racing Commission Operational Expenses Revolving  
12 Fund". The fund shall be a continuing fund, not subject to fiscal  
13 year limitations or reconciliation, and shall consist of all monies  
14 received by the Oklahoma Horse Racing Commission from revenues  
15 apportioned to the fund by Section 205.6 and Section 263 of Title 3A  
16 of the Oklahoma Statutes, together with all monies from fines, fees,  
17 reimbursements, assessments and sale of materials which are  
18 collected or received by the Commission and all monies retained by  
19 the Commission under the provisions of Title 3A of the Oklahoma  
20 Statutes.

21 SECTION 2. AMENDATORY 3A O.S. 2011, Section 204.1A, is  
22 amended to read as follows:

23 Section 204.1A A. The Oklahoma Horse Racing Commission  
24 Revolving Fund is hereby abolished.

1       B. All unencumbered balances contained in the Oklahoma Horse  
2 Racing Commission Revolving Fund as of July 1, 1986, shall be  
3 deposited to the credit of the General Revenue Fund of the State  
4 Treasury. The Director of State Finance shall be authorized to  
5 transfer the unencumbered balance described by this subsection to  
6 the General Revenue Fund.

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

13       ~~D. All funds received by the Commission from fees, fines,~~  
14 ~~reimbursements, and sale of materials shall be deposited to the~~  
15 ~~credit of the General Revenue Fund of the State Treasury.~~

16       SECTION 3.       AMENDATORY       3A O.S. 2011, Section 204.2, is  
17 amended to read as follows:

18       Section 204.2 A. The Oklahoma Horse Racing Commission shall  
19 issue occupation licenses to horse owners, trainers, jockeys,  
20 agents, apprentices, grooms, exercise persons, veterinarians,  
21 valets, blacksmiths, concessionaires, stewards, starters, timers,  
22 judges, supervisors of mutuels, guards, and such other personnel  
23 designated by the Commission whose work, in whole or in part, is  
24 conducted upon racetrack grounds which are owned by an organization

1 licensee. The licenses shall be obtained prior to the time such  
2 persons engage in their vocations upon such racetrack grounds at any  
3 time during the calendar year for which the organization license has  
4 been issued. No person required to be licensed pursuant to the  
5 provisions of this section may participate in any capacity in any  
6 race meeting without a valid license authorizing such participation.

7 B. Each application for an occupation license shall be on a  
8 form prescribed and furnished by the Commission and shall include a  
9 search waiver. The license shall be renewed either annually or  
10 triennially beginning January 1. The application shall be  
11 accompanied by a fee in an amount of not more than One Hundred  
12 Dollars (\$100.00) if renewed annually or not more than Three Hundred  
13 Dollars (\$300.00) if renewed triennially. Each application shall  
14 contain the following information concerning the applicant:

15 1. Full name and address;

16 2. Age;

17 3. Whether the applicant was issued any prior occupation  
18 license from this state;

19 4. Whether the applicant was issued any occupation license from  
20 another state;

21 5. Whether an occupation license from another state is or has  
22 been denied, suspended, or revoked;

23 6. Whether the applicant has been convicted of a felony in this  
24 state or any other state as established by a national criminal

1 history record check as defined by Section 150.9 of Title 74 of the  
2 Oklahoma Statutes; and

3 7. Such other information as required by the Commission.

4 C. The Commission may refuse an occupation license to any  
5 person:

6 1. Who has been convicted of a felony; or

7 2. Who has been convicted of violating any law regarding  
8 gambling or controlled dangerous substances of the United States,  
9 this state, or any other state; or

10 3. Who is unqualified to perform the duties required of the  
11 applicant; or

12 4. Who fails to disclose or states falsely any information  
13 required in the application; or

14 5. Who has been found guilty of a violation of any provision of  
15 the Oklahoma Horse Racing Act or of the rules and regulations of the  
16 Commission; or

17 6. Whose license has been suspended, revoked, or denied for  
18 just cause in any other state.

19 D. The Commission may suspend or revoke any occupation license  
20 or fine an occupation licensee for:

21 1. Violation of any of the provisions of the Oklahoma Horse  
22 Racing Act; or

23 2. Violation of any provision of the rules or regulations of  
24 the Commission; or

1        3. Any cause which, if known to the Commission, would have  
2 justified the refusal of the Commission to issue the occupation  
3 license; or

4        4. Any other just cause as determined by the Commission.

5        E. ~~Except as provided for in this subsection, the license fees~~  
6 ~~received by the Commission pursuant to the provisions of this~~  
7 ~~section shall be deposited to the credit of the General Revenue Fund~~  
8 ~~of the State Treasury.~~ Of the original application fee for an  
9 occupation license, the amount of the fingerprinting fee shall be  
10 deposited in the OSBI Revolving Fund, the remainder shall be  
11 apportioned to the Oklahoma Horse Racing Commission Operational  
12 Expenses Revolving Fund.

13        F. Notwithstanding any other provision of the Oklahoma Horse  
14 Racing Act, Section 200 et seq. of this title, licenses for  
15 personnel specified in subsection A of this section whose work is  
16 limited to racetrack grounds which are owned by an organization  
17 licensee which only conducts non-pari-mutuel race meetings or  
18 training races shall be issued pursuant to rules adopted by the  
19 Commission in accordance with the American Quarter Horse Association  
20 rules.

21        G. The Commission may promulgate rules to facilitate and  
22 promote uniform, reciprocal occupation licensing with other  
23 jurisdictions.

24

1 H. Nothing in the Oklahoma Horse Racing Act or rules  
2 promulgated pursuant thereto shall prohibit or be construed as  
3 prohibiting issuance of any occupational license solely because the  
4 applicant is an organizational licensee or racetrack owner or holds  
5 an interest in a race track.

6 SECTION 4. AMENDATORY 3A O.S. 2011, Section 205.2, is  
7 amended to read as follows:

8 Section 205.2 A. Applications for organization licenses must  
9 be filed with the Commission at a time and place prescribed by the  
10 rules and regulations of the Commission. Beginning with  
11 organization license applications for the 1994 calendar year, the  
12 Commission shall develop and use separate application forms for  
13 applicants requesting an organization license to conduct horse  
14 racing with the pari-mutuel system of wagering and applicants  
15 requesting an organization license to conduct horse racing without  
16 the pari-mutuel system of wagering. For use for the 1993 calendar  
17 year organization licenses, an applicant requesting to conduct horse  
18 racing without the pari-mutuel system of wagering shall make  
19 application with the Commission on American Quarter Horse  
20 Association application forms. Applications for an organization  
21 license to conduct horse racing without the pari-mutuel system of  
22 wagering for the 1993 calendar year shall be filed with the  
23 Commission on or before the 1st day of August, 1992. Each applicant  
24 requesting an organization license to conduct horse racing with the

1 pari-mutuel system of wagering shall include with each application a  
2 nonrefundable license fee equal to the sum of Five Thousand Dollars  
3 (\$5,000.00) for each race meeting and Two Hundred Dollars (\$200.00)  
4 for each racing day requested. Provided, the fee for Five Thousand  
5 Dollars (\$5,000.00) shall be waived for applicants applying pursuant  
6 to the provisions of Section 208.2 of this title. Each applicant  
7 requesting an organization license to conduct horse racing without  
8 the pari-mutuel system of wagering or to conduct accredited work or  
9 training races shall include with each application a nonrefundable  
10 license fee of Five Hundred Dollars (\$500.00) for each race meeting.  
11 Such fee shall be in the form of a certified check or bank draft  
12 payable to the order of the Commission. Within thirty (30) days  
13 after the date specified for filing, the Commission shall examine  
14 the applications for compliance with the provisions of the Oklahoma  
15 Horse Racing Act and such rules and regulations as may be  
16 promulgated by the Commission. If any application does not comply  
17 with the provisions of the Oklahoma Horse Racing Act or the rules  
18 and regulations promulgated by the Commission, the application may  
19 be rejected or the Commission may direct the applicant to comply  
20 with the provisions of the Oklahoma Horse Racing Act or the rules  
21 and regulations of the Commission within a reasonable time as  
22 determined by the Commission. Upon proof by the applicant of  
23 compliance, the Commission may reconsider the application. If it is  
24 found to be in compliance with the provisions of the Oklahoma Horse



1 Racing Act and the rules and regulations of the Commission, the  
2 Commission may then issue an organization license to the applicant.

3 B. The Commission may exercise discretion in the issuing of  
4 organization licenses to qualified applicants. The Commission may  
5 also determine and grant racing dates different from those requested  
6 by the applicants in their applications.

7 C. The Commission may determine and grant the number of racing  
8 days to be allotted to each applicant. When granting organization  
9 licenses and allocating dates for race meetings which will, in the  
10 judgment of the Commission, be conducive to the best interests of  
11 the public and the sport of horse racing, the Commission shall give  
12 consideration to:

13 1. the character, reputation, experience, and financial  
14 integrity of each applicant and of any other person that:

15 a. directly or indirectly controls such applicant, or

16 b. is directly or indirectly controlled by such applicant  
17 or by a person who directly or indirectly controls  
18 such applicant; and

19 2. the facilities and accommodations of the applicant for the  
20 conduct of race meetings; and

21 3. the location of the race meeting of the applicant in  
22 relation to the principal centers of population of this state; and

23 4. the highest prospective total revenue to be derived by the  
24 state from the conduct of the race meeting.

1 D. Prior to the issuance of an organization license to conduct  
2 pari-mutuel race meetings, the applicant shall file with the  
3 Commission a bond payable to the State of Oklahoma in an amount  
4 determined by the Commission which is not less than Two Hundred  
5 Thousand Dollars (\$200,000.00) and not more than the total financial  
6 liability of the organization licensee throughout the race meeting  
7 for which the organization license is requested, executed by the  
8 applicant and a surety company or companies authorized to do  
9 business in this state, and conditioned upon the payment by the  
10 organization licensee of all taxes and other monies due and payable  
11 pursuant to the provisions of the Oklahoma Horse Racing Act and all  
12 purses due and payable, and upon the fact that, upon presentation of  
13 winning tickets, the organization licensee will distribute all sums  
14 due to the patrons of pari-mutuel pools. The financial liabilities  
15 incurred by the organization licensee in the form of real estate  
16 mortgages shall not be included in the determination of the bond  
17 amount.

18 E. The Commission shall notify each applicant of the racing  
19 dates allotted to such applicant. The notice shall be in writing  
20 and sent by registered mail to the applicant at the address stated  
21 in the Application. The notice shall be mailed within two (2)  
22 business days of the date the allotment is made. After the mailing  
23 of such notice of allotment, each applicant shall file with the  
24

1 Commission within ten (10) days an acceptance of such allotment on a  
2 form prescribed and furnished by the Commission.

3 F. Each organization license shall specify the name of the  
4 person to whom it is issued, the dates upon which horse racing is  
5 permitted, and the location, place, track, or enclosure where the  
6 race meeting is to be held.

7 G. All employees of an organization licensee shall be citizens  
8 of the United States, and not less than ninety percent (90%) of such  
9 employees shall be residents of this state for not less than  
10 eighteen (18) months immediately preceding such employment.

11 H. All horse racing conducted pursuant to the provisions of an  
12 organization license is subject to the provisions of the Oklahoma  
13 Horse Racing Act and of the rules, regulations and directives  
14 promulgated by the Commission, and every organization license issued  
15 by the Commission shall contain a statement to that effect.

16 I. Any organization licensee may provide, with prior approval  
17 by the Commission, that at least one horse race a day may be devoted  
18 to the racing of a type of horse which is different from the type of  
19 horse being raced in the other races conducted by the organization  
20 licensee on that day. When scheduled races are trial heats for  
21 futurities or stakes races electronically timed from the starting  
22 gates, no organization licensee shall move the starting gates or  
23 allow the starting gates to be moved until all trial heats are  
24 complete, except in an emergency as determined by the stewards.

1 J. Organization licenses may be revoked if the organization  
2 licensee or any person owning an interest in the organization  
3 licensee:

4 1. violates any provision of the Oklahoma Horse Racing Act; or

5 2. violates any provision of the rules and regulations  
6 promulgated pursuant to the provisions of the Oklahoma Horse Racing  
7 Act; or

8 3. has been convicted of a felony; or

9 4. has been convicted of violating any law regarding gambling  
10 or controlled dangerous substances of the United States, this state,  
11 or any other state; or

12 5. has failed to disclose or has stated falsely any information  
13 contained in the application; or

14 6. has concealed in whole or in part the true ownership of the  
15 organization licensee.

16 Any organization license revocation proceeding shall be  
17 conducted pursuant to the provisions of Sections 301 through 326 of  
18 Title 75 of the Oklahoma Statutes.

19 K. The fees received by the Commission pursuant to the  
20 provisions of this section shall be ~~deposited to the credit of the~~  
21 ~~General Revenue Fund of the State Treasury~~ apportioned to the  
22 Oklahoma Horse Racing Commission Operational Expenses Revolving  
23 Fund.

1 L. The provisions of the Oklahoma Horse Racing Act and rules  
2 promulgated by the Commission shall apply to an organization  
3 licensee during the entire calendar year in which the license was  
4 issued.

5 SECTION 5. AMENDATORY 3A O.S. 2011, Section 205.6, is  
6 amended to read as follows:

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

17 B. Each organization licensee that holds a race meeting at  
18 which the pari-mutuel system of wagering is conducted shall retain  
19 an amount equal to eighteen percent (18%) of all money wagered, to  
20 be distributed as follows:

21 1. The first One Hundred Million Dollars (\$100,000,000.00)  
22 wagered per calendar year for each type of racing shall be  
23 distributed as follows provided, that all racing dates exclusively  
24 for Thoroughbred racing in a calendar year shall be combined for the

1 purpose of computing taxation rates and all racing dates for mixed  
2 racing and all other individual breeds in a calendar year shall be  
3 combined but considered separate from Thoroughbred racing for the  
4 purpose of computing taxation rates:

- 5 a. One-ninth ( $1/9$ ) of the eighteen percent (18%) shall be  
6 remitted to the Oklahoma Tax Commission on the first  
7 business day following the close of the racing day on  
8 which it was assessed. One hundred percent (100%) of  
9 the revenue derived pursuant to the provisions of this  
10 paragraph shall be apportioned monthly to the ~~General~~  
11 ~~Revenue Fund of the state for the support of the state~~  
12 ~~government, to be paid out only pursuant to~~  
13 ~~appropriation by the Legislature~~ Oklahoma Horse Racing  
14 Commission Operational Expenses Revolving Fund; and  
15 b. Five-ninths ( $5/9$ ) of the eighteen percent (18%) shall  
16 be retained by the organization licensee; and  
17 c. One-third ( $1/3$ ) of the eighteen percent (18%) shall be  
18 retained by the organization licensee to be  
19 distributed as purses for participating horses.

20 2. All money wagered per calendar year for each type of racing  
21 in excess of One Hundred Million Dollars (\$100,000,000.00) but not  
22 to exceed One Hundred Fifty Million Dollars (\$150,000,000.00) shall  
23 be distributed as follows provided, that all racing dates  
24 exclusively for Thoroughbred racing in a calendar year shall be

1 combined for the purpose of computing taxation rates and all racing  
2 dates for mixed racing and all other individual breeds in a calendar  
3 year shall be combined but considered separate from Thoroughbred  
4 racing for the purpose of computing taxation rates:

- 5           a. One-ninth (1/9) of the eighteen percent (18%) shall be  
6           remitted to the Oklahoma Tax Commission on the first  
7           business day following the close of the racing day on  
8           which it was assessed. One hundred percent (100%) of  
9           the revenue derived pursuant to the provisions of this  
10          paragraph shall be apportioned monthly to the ~~General~~  
11          ~~Revenue Fund of the state for the support of the state~~  
12          ~~government, to be paid out only pursuant to~~  
13          ~~appropriation by the Legislature~~ Oklahoma Horse Racing  
14          Commission Operational Expenses Revolving Fund; and
- 15          b. Four-ninths (4/9) of the eighteen percent (18%) shall  
16          be retained by the organization licensee; and
- 17          c. One-third (1/3) of the eighteen percent (18%) shall be  
18          retained by the organization licensee to be  
19          distributed as purses for participating horses; and
- 20          d. One-ninth (1/9) of the eighteen percent (18%) shall be  
21          retained by the organization licensee to be  
22          distributed as follows:
- 23               (1) seventy-five percent (75%) as purses for  
24               participating horses, and

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

3. All money wagered per calendar year for each type of racing in excess of One Hundred Fifty Million Dollars (\$150,000,000.00) shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

- a. One-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the ~~General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature~~ Oklahoma Horse Racing Commission Operational Expenses Revolving Fund; and
- b. One-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee; and



1 c. One-third (1/3) of the eighteen percent (18%) shall be  
2 retained by the organization licensee to be

3 distributed as purses for participating horses; and

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

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

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

13 C. Notwithstanding any other provisions of this act, the state  
14 shall collect six percent (6%) of the total amount wagered under the  
15 provisions of this act at such time the organization licensee has no  
16 further debt service.

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

24

1       Such amount shall be retained by the organization licensee to be  
2 distributed as follows:

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

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

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

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

12           a. Fifty percent (50%) as purses for participating  
13           horses; and

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

15       E. Each organization licensee shall retain an amount not less  
16 than twenty-one percent (21%) nor greater than twenty-five percent  
17 (25%) of all money wagered on multiple race wagers involving more  
18 than two races, and on multiple horse wagers involving more than two  
19 horses such amount shall be distributed as follows:

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

22       2. Three percent (3%) pursuant to subsection D of this section;  
23 and  
24

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

4        F. Organization licensees shall keep accurate books and records  
5 of all moneys wagered on each day of a race meeting and of the taxes  
6 paid pursuant to the provisions of this section. The Oklahoma Tax  
7 Commission or an authorized representative shall have access at all  
8 reasonable times to such records for the purpose of examining and  
9 checking the records and ascertaining whether the proper amount of  
10 taxes is being paid. The Oklahoma Tax Commission shall require  
11 verified reports and a statement of the total of all moneys wagered  
12 daily at a race meeting and may prescribe forms upon which such  
13 reports and statement shall be made. The organization licensee  
14 shall provide the Oklahoma Tax Commission with such space and  
15 accommodations as may be necessary for the Oklahoma Tax Commission  
16 to implement its duties pursuant to the provisions of the Oklahoma  
17 Horse Racing Act.

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

21        H. All monies retained or to be distributed for purses shall be  
22 held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of  
23 this act for the duly designated horsemen's organization for purses.  
24

1       SECTION 6.       AMENDATORY       3A O.S. 2011, Section 262, is  
2 amended to read as follows:

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

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

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

23 C. In order to encourage the growth, sustenance and development  
24 of live horse racing in this state and of the state's agriculture

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

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

21       2. Two organization licensees operating racetrack locations at  
22 which the organization licensees are licensed to conduct race  
23 meetings pursuant to the provisions of Section 205.2 of this title  
24 located in counties with populations not exceeding four hundred

1 thousand (400,000) persons, according to the most recent federal  
2 decennial census, may each be licensed to operate not more than two  
3 hundred fifty (250) player terminals in any year.

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

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

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

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

21 F. The Oklahoma Horse Racing Commission shall promulgate rules  
22 to regulate, implement and enforce the provisions of this act with  
23 regard to the conduct of authorized gaming by organization  
24 licensees; provided, regulation and oversight of games covered by a



1 compact and operated by an Indian tribe shall be conducted solely  
2 pursuant to the requirements of the compact.

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

11 H. This act is game-specific and shall not be construed to  
12 allow the operation of any other form of gaming unless specifically  
13 allowed by this act. This act shall not permit the operation of  
14 slot machines, dice games, roulette wheels, house-banked card games  
15 or games where winners are determined by the outcome of a sports  
16 contest.

17 SECTION 7. AMENDATORY 3A O.S. 2011, Section 263, is  
18 amended to read as follows:

19 Section 263. A. Each organization licensee described in  
20 paragraph 2 of subsection C of Section 262 of this title shall  
21 distribute from the first Ten Million Dollars (\$10,000,000.00) of  
22 adjusted gross revenues generated by any gaming conducted pursuant  
23 to this act as follows:

1        1. Ten percent (10%) shall be remitted to the Oklahoma Tax  
2 Commission on the fifteenth day following the end of the month in  
3 which it was retained. Prior to July 1, 2008, twelve percent (12%)  
4 of the revenue derived pursuant to this paragraph shall be  
5 apportioned monthly to the Oklahoma Higher Learning Access Trust  
6 Fund and eighty-eight percent (88%) of such revenue shall be  
7 apportioned to the Education Reform Revolving Fund. On or after  
8 July 1, 2008, twelve percent (12%) of the revenue derived pursuant  
9 to this paragraph shall be apportioned monthly to the General  
10 Revenue Fund and eighty-eight percent (88%) of such revenue shall be  
11 apportioned to the Education Reform Revolving Fund;

12        2. ~~Twenty-five percent (25%)~~ No less than one-half of one  
13 percent (0.5%) and no more than three percent (3%) shall be  
14 apportioned to the Oklahoma Horse Racing Commission Operational  
15 Expenses Revolving Fund on the fifteenth day following the end of  
16 the month in which the revenue was collected;

17        3. The Commission shall determine by vote at a Commission  
18 meeting, either quarterly or as often as the Commission determines  
19 to be necessary for providing adequate operational expenses, the  
20 percentage of adjusted gross gaming revenues (within the range  
21 established in paragraph 2 of this subsection) that is to be  
22 deposited into the Oklahoma Horse Racing Commission Operational  
23 Expenses Revolving Fund during the applicable period following such  
24 determination. The percentage of adjusted gross gaming revenue to

1 be retained by the organization licensee each calendar year under  
2 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
3 accordance with the Commission's determination of the percentage of  
4 adjusted gross gaming revenue to be deposited into the Commission's  
5 Operational Expenses Revolving Fund.

6 4. Between twenty-four and three-quarters percent (24.75%) and  
7 twenty-three and one-half percent (23.50%) shall be retained by the  
8 organization licensee to be distributed according to subsection H of  
9 this section; and

10 ~~3. Sixty-five percent (65%)~~

11 5. Between sixty-four and three quarters percent (64.75%) and  
12 sixty-three and one-half percent (63.50%) shall be retained by the  
13 organization licensee.

14 B. The organization licensee described in paragraph 1 of  
15 subsection C of Section ~~3~~ 262 of this ~~act~~ title shall distribute  
16 from the first Ten Million Dollars (\$10,000,000.00) of adjusted  
17 gross revenues generated by any gaming conducted pursuant to this  
18 act as follows:

19 1. Ten percent (10%) shall be remitted to the Tax Commission on  
20 the fifteenth day following the end of the month in which it was  
21 retained. Prior to July 1, 2008, twelve percent (12%) of the  
22 revenue derived pursuant to this paragraph shall be apportioned  
23 monthly to the Oklahoma Higher Learning Access Trust Fund and  
24 eighty-eight percent (88%) of such revenue shall be apportioned to

1 the Education Reform Revolving Fund. On or after July 1, 2008,  
2 twelve percent (12%) of the revenue derived pursuant to this  
3 paragraph shall be apportioned monthly to the General Revenue Fund  
4 and eighty-eight percent (88%) of such revenue shall be apportioned  
5 to the Education Reform Revolving Fund;

6 2. ~~Thirty percent (30%)~~ No less than one-half of one percent  
7 (0.5%) and no more than three percent (3%) shall be apportioned to  
8 the Oklahoma Horse Racing Commission Operational Expenses Revolving  
9 Fund on the fifteenth day following the end of the month in which  
10 the revenue was collected;

11 3. The Commission shall determine by vote at a Commission  
12 meeting, either quarterly or as often as the Commission determines  
13 to be necessary for providing adequate operational expenses, the  
14 percentage of adjusted gross gaming revenues (within the range  
15 established in paragraph 2 of this subsection) that is to be  
16 deposited into the Oklahoma Horse Racing Commission Operational  
17 Expenses Revolving Fund during the applicable period following such  
18 determination. The percentage of adjusted gross gaming revenue to  
19 be retained by the organization licensee each calendar year under  
20 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
21 accordance with the Commission's determination of the percentage of  
22 adjusted gross gaming revenue to be deposited into the Commission's  
23 Operational Expenses Revolving Fund;

1        4. Between twenty-nine and three-quarters percent (29.75%) and  
2 twenty-eight and one-half percent (28.50%) shall be retained by the  
3 organization licensee to be distributed according to subsection H of  
4 this section; and

5        ~~3. Sixty percent (60%)~~

6        5. Between fifty-nine and three-quarters percent (59.75%) and  
7 fifty-eight and one-half percent (58.50%) shall be retained by the  
8 organization licensee.

9        C. Each organization licensee shall distribute from retained  
10 adjusted gross revenues in excess of Ten Million Dollars  
11 (\$10,000,000.00) per calendar year but not to exceed Thirty Million  
12 Dollars (\$30,000,000.00) per calendar year generated from any gaming  
13 conducted pursuant to this act as follows:

14        1. Ten percent (10%) shall be remitted to the Tax Commission on  
15 the fifteenth day following the end of the month in which it was  
16 retained. Prior to July 1, 2008, twelve percent (12%) of the  
17 revenue derived pursuant to this paragraph shall be apportioned  
18 monthly to the Oklahoma Higher Learning Access Trust Fund and  
19 eighty-eight percent (88%) of such revenue shall be apportioned to  
20 the Education Reform Revolving Fund. On or after July 1, 2008,  
21 twelve percent (12%) of the revenue derived pursuant to this  
22 paragraph shall be apportioned monthly to the General Revenue Fund  
23 and eighty-eight percent (88%) of such revenue shall be apportioned  
24 to the Education Reform Revolving Fund;

1       2. ~~Thirty percent (30%)~~ No less than one-half of one percent  
2 (0.5%) and no more than three percent (3%) shall be apportioned to  
3 the Oklahoma Horse Racing Commission Operational Expenses Revolving  
4 Fund on the fifteenth day following the end of the month in which  
5 the revenue was collected;

6       3. The Commission shall determine by vote at a Commission  
7 meeting, either quarterly or as often as the Commission determines  
8 to be necessary for providing adequate operational expenses, the  
9 percentage of adjusted gross gaming revenues (within the range  
10 established in paragraph 2 of this subsection) that is to be  
11 deposited into the Oklahoma Horse Racing Commission Operational  
12 Expenses Revolving Fund during the applicable period following such  
13 determination. The percentage of adjusted gross gaming revenue to  
14 be retained by the organization licensee each calendar year under  
15 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
16 accordance with the Commission's determination of the percentage of  
17 adjusted gross gaming revenue to be deposited into the Commission's  
18 Operational Expenses Revolving Fund;

19       4. Between twenty-nine and three-quarters percent (29.75%) and  
20 twenty-eight and one-half percent (28.50%) shall be retained by the  
21 organization licensee to be distributed according to subsection H of  
22 this section; and

23       3. ~~Sixty percent (60%)~~  
24

1        5. Between fifty-nine and three-quarters percent (59.75%) and  
2 fifty-eight and one-half percent (58.50%) shall be retained by the  
3 organization licensee.

4        D. Each organization licensee shall distribute from retained  
5 adjusted gross revenues in excess of Thirty Million Dollars  
6 (\$30,000,000.00) per calendar year but not to exceed Forty Million  
7 Dollars (\$40,000,000.00) per calendar year generated by any gaming  
8 conducted pursuant to this act as follows:

9        1. Fifteen percent (15%) shall be remitted to the Tax  
10 Commission on the fifteenth day following the end of the month in  
11 which it was retained. Prior to July 1, 2008, twelve percent (12%)  
12 of the revenue derived pursuant to this paragraph shall be  
13 apportioned monthly to the Oklahoma Higher Learning Access Trust  
14 Fund and eighty-eight percent (88%) of such revenue shall be  
15 apportioned to the Education Reform Revolving Fund. On or after  
16 July 1, 2008, twelve percent (12%) of the revenue derived pursuant  
17 to this paragraph shall be apportioned monthly to the General  
18 Revenue Fund and eighty-eight percent (88%) of such revenue shall be  
19 apportioned to the Education Reform Revolving Fund;

20        2. ~~Thirty percent (30%)~~ No less than one-half of one percent  
21 (0.5%) and no more than three percent (3%) shall be apportioned to  
22 the Oklahoma Horse Racing Commission Operational Expenses Revolving  
23 Fund on the fifteenth day following the end of the month in which  
24 the revenue was collected;

1       3. The Commission shall determine by vote at a Commission  
2 meeting, either quarterly or as often as the Commission determines  
3 to be necessary for providing adequate operational expenses, the  
4 percentage of adjusted gross gaming revenues (within the range  
5 established in paragraph 2 of this subsection) that is to be  
6 deposited into the Oklahoma Horse Racing Commission Operational  
7 Expenses Revolving Fund during the applicable period following such  
8 determination. The percentage of adjusted gross gaming revenue to  
9 be retained by the organization licensee each calendar year under  
10 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
11 accordance with the Commission's determination of the percentage of  
12 adjusted gross gaming revenue to be deposited into the Commission's  
13 Operational Expenses Revolving Fund;

14       4. Between twenty-nine and three-quarters percent (29.75%) and  
15 twenty-eight and one-half percent (28.50%) shall be retained by the  
16 organization licensee to be distributed according to subsection H of  
17 this section; and

18       ~~3. Fifty-five percent (55%)~~

19       5. Between fifty-four and three-quarters percent (54.75%) and  
20 fifty-three and one-half percent (53.50%) shall be retained by the  
21 organization licensee.

22       E. Each organization licensee shall distribute from retained  
23 adjusted gross revenues in excess of Forty Million Dollars  
24 (\$40,000,000.00) per calendar year but not to exceed Fifty Million



1 Dollars (\$50,000,000.00) per calendar year generated from any gaming  
2 conducted pursuant to this act as follows:

3 1. Twenty percent (20%) shall be remitted to the Tax Commission  
4 on the fifteenth day following the end of the month in which it was  
5 retained. Prior to July 1, 2008, twelve percent (12%) of the  
6 revenue derived pursuant to this paragraph shall be apportioned  
7 monthly to the Oklahoma Higher Learning Access Trust Fund and  
8 eighty-eight percent (88%) of such revenue shall be apportioned to  
9 the Education Reform Revolving Fund. On or after July 1, 2008,  
10 twelve percent (12%) of the revenue derived pursuant to this  
11 paragraph shall be apportioned monthly to the General Revenue Fund  
12 and eighty-eight percent (88%) of such revenue shall be apportioned  
13 to the Education Reform Revolving Fund;

14 2. ~~Twenty-five percent (25%)~~ No less than one-half of one  
15 percent (0.5%) and no more than three percent (3%) shall be  
16 apportioned to the Oklahoma Horse Racing Commission Operational  
17 Expenses Revolving Fund on the fifteenth day following the end of  
18 the month in which the revenue was collected;

19 3. The Commission shall determine by vote at a Commission  
20 meeting, either quarterly or as often as the Commission determines  
21 to be necessary for providing adequate operational expenses, the  
22 percentage of adjusted gross gaming revenues (within the range  
23 established in paragraph 2 of this subsection) that is to be  
24 deposited into the Oklahoma Horse Racing Commission Operational

1 Expenses Revolving Fund during the applicable period following such  
2 determination. The percentage of adjusted gross gaming revenue to  
3 be retained by the organization licensee each calendar year under  
4 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
5 accordance with the Commission's determination of the percentage of  
6 adjusted gross gaming revenue to be deposited into the Commission's  
7 Operational Expenses Revolving Fund;

8 4. Between twenty-four and three-quarters percent (24.75%) and  
9 twenty-three and one-half percent (23.50%) shall be retained by the  
10 organization licensee to be distributed according to subsection H of  
11 this section; and

12 ~~3. Fifty-five percent (55%)~~

13 5. Between fifty-four and three-quarters percent (54.75%) and  
14 fifty-three and one-half percent (53.50%) shall be retained by the  
15 organization licensee.

16 F. Each organization licensee shall distribute from retained  
17 adjusted gross revenues in excess of Fifty Million Dollars  
18 (\$50,000,000.00) per calendar year but not to exceed Seventy Million  
19 Dollars (\$70,000,000.00) per calendar year generated from any gaming  
20 conducted pursuant to this act as follows:

21 1. Twenty-five percent (25%) shall be remitted to the Tax  
22 Commission on the fifteenth day following the end of the month in  
23 which it was retained. Prior to July 1, 2008, twelve percent (12%)  
24 of the revenue derived pursuant to this paragraph shall be

1 apportioned monthly to the Oklahoma Higher Learning Access Trust  
2 Fund and eighty-eight percent (88%) of such revenue shall be  
3 apportioned to the Education Reform Revolving Fund. On or after  
4 July 1, 2008, twelve percent (12%) of the revenue derived pursuant  
5 to this paragraph shall be apportioned monthly to the General  
6 Revenue Fund and eighty-eight percent (88%) of such revenue shall be  
7 apportioned to the Education Reform Revolving Fund;

8 2. ~~Twenty-two and one-half percent (22 1/2%)~~ No less than one-  
9 half of one percent (0.5%) and no more than three percent (3%) shall  
10 be apportioned to the Oklahoma Horse Racing Commission Operational  
11 Expenses Revolving Fund on the fifteenth day following the end of  
12 the month in which the revenue was collected;

13 3. The Commission shall determine by vote at a Commission  
14 meeting, either quarterly or as often as the Commission determines  
15 to be necessary for providing adequate operational expenses, the  
16 percentage of adjusted gross gaming revenues (within the range  
17 established in paragraph 2 of this subsection) that is to be  
18 deposited into the Oklahoma Horse Racing Commission Operational  
19 Expenses Revolving Fund during the applicable period following such  
20 determination. The percentage of adjusted gross gaming revenue to  
21 be retained by the organization licensee each calendar year under  
22 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
23 accordance with the Commission's determination of the percentage of

1 adjusted gross gaming revenue to be deposited into the Commission's  
2 Operational Expenses Revolving Fund;

3 4. Between twenty-two and one-quarter percent (22.25%) and  
4 twenty-one percent (21.0%) shall be retained by the organization  
5 licensee to be distributed according to subsection H of this  
6 section; and

7 ~~3. Fifty-two and one-half percent (52 1/2%)~~

8 5. Between fifty-two and one-quarter percent (52.25%) and  
9 fifty-one percent (51%) shall be retained by the organization  
10 licensee.

11 G. Each organization licensee shall distribute from retained  
12 adjusted gross revenues in excess of Seventy Million Dollars  
13 (\$70,000,000.00) per calendar year generated from any gaming  
14 conducted pursuant to this act as follows:

15 1. Thirty percent (30%) shall be remitted to the Tax Commission  
16 on the fifteenth day following the end of the month in which it was  
17 retained. Prior to July 1, 2008, twelve percent (12%) of the  
18 revenue derived pursuant to this paragraph shall be apportioned  
19 monthly to the Oklahoma Higher Learning Access Trust Fund and  
20 eighty-eight percent (88%) of such revenue shall be apportioned to  
21 the Education Reform Revolving Fund. On or after July 1, 2008,  
22 twelve percent (12%) of the revenue derived pursuant to this  
23 paragraph shall be apportioned monthly to the General Revenue Fund

1 and eighty-eight percent (88%) of such revenue shall be apportioned  
2 to the Education Reform Revolving Fund;

3 2. ~~Twenty percent (20%)~~ No less than one-half of one percent  
4 (0.5%) and no more than three percent (3%) shall be apportioned to  
5 the Oklahoma Horse Racing Commission Operational Expenses Revolving  
6 Fund on the fifteenth day following the end of the month in which  
7 the revenue was collected;

8 3. The Commission shall determine by vote at a Commission  
9 meeting, either quarterly or as often as the Commission determines  
10 to be necessary for providing adequate operational expenses, the  
11 percentage of adjusted gross gaming revenues (within the range  
12 established in paragraph 2 of this subsection) that is to be  
13 deposited into the Oklahoma Horse Racing Commission Operational  
14 Expenses Revolving Fund during the applicable period following such  
15 determination. The percentage of adjusted gross gaming revenue to  
16 be retained by the organization licensee each calendar year under  
17 paragraphs 4 and 5 of this subsection shall be adjusted equally in  
18 accordance with the Commission's determination of the percentage of  
19 adjusted gross gaming revenue to be deposited into the Commission's  
20 Operational Expenses Revolving Fund;

21 4. Between nineteen and three-quarters percent (19.75%) and  
22 eighteen and one-half percent (18.50%) shall be retained by the  
23 organization licensee to be distributed according to subsection H of  
24 this section; and

1       ~~3. Fifty percent (50%)~~

2       5. Between forty-nine and three-quarters percent (49.75%) and  
3 forty-eight and one-half percent (48.50%) shall be retained by the  
4 organization licensee.

5       H. Each organization licensee shall remit, on the fifteenth day  
6 following the end of the month in which they were retained, an  
7 amount equal to nine percent (9%) of the funds generated pursuant to  
8 paragraph 2 of subsections A through G of this section to the  
9 Oklahoma Horse Racing Commission for deposit in the Oklahoma  
10 Breeding Development Fund Special Account pursuant to Section 208.3  
11 of this title, to be distributed to the participating breeds as  
12 provided in paragraphs 1 and 2 of this subsection.

13       Each organization licensee shall remit to the official  
14 horsemen's organization representing participating horsemen during  
15 the live race meets, on the fifteenth day following the end of the  
16 month in which they were retained, an amount equal to one and five-  
17 tenths percent (1.5%) of the funds generated pursuant to paragraph 2  
18 of subsections A through G of this section on a pro rata basis based  
19 on the distribution of purse funds available to the breeds of horses  
20 participating in the live race meetings with one percent (1%) to be  
21 used for administrative expenses and five-tenths of one percent  
22 (0.5%) to provide funding for a benevolence program at each  
23 racetrack to benefit participating horsemen and their employees.  
24 Such benevolence program shall provide medical benefits or services

1 to persons associated with the horse racing industry who are in  
2 financial need.

3 Each organization licensee shall remit to the breed  
4 organizations designated by the official horsemen's representative,  
5 on the fifteenth day following the end of the month in which they  
6 were retained, an amount equal to one percent (1%) of the funds  
7 generated pursuant to paragraph 2 of subsections A through G of this  
8 section on a pro rata basis based on the distribution of purse funds  
9 available to the breeds of horses participating in the live race  
10 meetings for funding to support the breed organizations dedicated to  
11 the promotion of breeding and racing horses in Oklahoma.

12 Subject to the provisions of subsection I of this section, the  
13 remainder of the funds generated pursuant to paragraph 2 of  
14 subsections A through G of this section shall be distributed by the  
15 organization licensee as purses for participating horses as follows:

16 1. For organization licensees that conduct one or more race  
17 meetings dedicated to Thoroughbred racing and one or more race  
18 meetings dedicated to Quarter Horse, Paint and Appaloosa horse  
19 racing, fifty percent (50%) to purses for Thoroughbred races, forty-  
20 five percent (45%) to purses for Quarter Horse races, and five  
21 percent (5%) to purses for Paint and Appaloosa races; and

22 2. For all other organization licensees, forty-five percent  
23 (45%) to purses for Thoroughbred races, forty-five percent (45%) to  
24

1 purses for Quarter Horse races and ten percent (10%) to purses for  
2 Paint and Appaloosa horse races.

3 I. The percentage of purse money generated by an organization  
4 licensee that is designated for deposit to the Oklahoma Breeding  
5 Development Fund Special Account pursuant to subsection H of this  
6 section may be increased by an additional percentage that shall not  
7 exceed thirty-three percent (33%) of the total funds for  
8 participating horsemen upon the written application of the official  
9 horsemen's representative for each of the breeds of horses  
10 participating in a race meeting at the track.

11 All Oklahoma Breeding Development Fund Special Account monies  
12 generated pursuant to this section shall not be subject to a  
13 reduction pursuant to paragraph 7 of subsection B of Section 208.3  
14 of this title.

15 J. An organization licensee's annual application for race dates  
16 shall include any existing agreement between the organization  
17 licensee and the official horsemen's representative for each breed  
18 participating in the live racing meeting at that track which sets  
19 forth the thresholds whereby the minimum number of races will  
20 increase or decrease during that calendar year.

21 K. For purposes of this act a "recipient licensee" means an  
22 organization licensee operating a racetrack location at which an  
23 organization licensee is licensed to conduct a race meeting pursuant  
24 to the provisions of Section 208.2 of this title located in a county



1 with a population exceeding five hundred thousand (500,000) persons,  
2 according to the most recent federal decennial census, and a  
3 "participating tribe" means a tribe which operates a gaming facility  
4 within a radius of twenty (20) miles from the enclosure of a  
5 recipient licensee pursuant to a compact set forth in Section 281 of  
6 this title. Such compact shall require that a participating tribe  
7 contribute a percentage of its "monthly average take" from  
8 electronic amusement games, electronic bonanza-style bingo games and  
9 electronic instant bingo games (hereinafter referred to collectively  
10 as "electronic covered games") as defined in that tribe's Gaming  
11 Compact as long as the prohibition against fair associations or  
12 organizations licensed pursuant to Section 208.2 of this title  
13 conducting authorized gaming under this act as set forth in  
14 subsection A of Section 262 of this title remains in effect.  
15 Participating tribes shall make contributions in accordance with the  
16 following requirements:

17 1. Each participating tribe shall calculate its monthly average  
18 take for electronic covered games for each calendar month of  
19 operation of electronic covered games. For purposes of this  
20 paragraph, the "monthly average take" shall mean all adjusted gross  
21 revenue from electronic covered games at the tribal gaming  
22 facilities that are located within a radius of twenty (20) miles  
23 from the enclosure of a recipient licensee during the applicable  
24 calendar month, divided by the number of electronic covered games

1 operated by the tribe at the gaming facility during the applicable  
2 calendar month;

3       2. Each participating tribe shall calculate its pro rata share  
4 of the payments required by this subsection, based on the number of  
5 electronic covered games in the tribal gaming facilities within the  
6 twenty-mile radius described in paragraph 1 of this subsection,  
7 during the applicable calendar month ("tribal share"). As an  
8 example only, if three (3) tribes participate in this subsection  
9 during a calendar month, and have the respective number of games in  
10 the amount of 500, 1,000, and 1,000, then the payments called for in  
11 paragraph 3 of this subsection would be multiplied by twenty percent  
12 (20%), forty percent (40%) and forty percent (40%) to determine each  
13 tribe's pro rata share; and

14       3. Each participating tribe shall make the following payments  
15 no later than the fifteenth day following the end of the applicable  
16 calendar month, with the first payment to be due no later than the  
17 fifteenth day following the end of the first month in which a  
18 participating tribe commences gaming operations pursuant to the  
19 compact set out in Section 281 of this title:

- 20           a. the tribe shall pay its pro rata share of the product  
21               of 450 multiplied by .05 multiplied by the greater of  
22               Seven Thousand Four Hundred Eight Dollars (\$7,408.00)  
23               or the tribe's monthly average take for the applicable  
24               month to the recipient licensee, and

1           b.    the tribe shall pay its pro rata share of the product  
2               of 450 multiplied by .25 multiplied by the tribe's  
3               monthly average take for the applicable month to the  
4               Oklahoma Horse Racing Commission to be used as  
5               directed by purse committees for the following  
6               purposes:

7               (1)   distributed to organization licensees for purses  
8               for participating horses,

9               (2)   paid to the Oklahoma Breeding Development Fund  
10              Special Account.  The amount designated for  
11              deposit into the Oklahoma Breeding Development  
12              Fund Special Account shall never be less than  
13              nine percent (9%) of the funds generated nor more  
14              than thirty-three percent (33%) of the total  
15              designated funds for horsemen participating in  
16              any race meeting, and

17              (3)   paid to the official horsemen's representatives  
18              and to the breeding organizations designated by  
19              the official horsemen's representatives and to  
20              the breeding organizations designated by the  
21              official horsemen's representatives to be used to  
22              pay their administrative expenses and to fund  
23              their benevolence programs.  In no event shall  
24              the amount designated for such administrative

1 expenses exceed one percent (1%) of the funds  
2 generated nor shall the monies designated for  
3 benevolence programs exceed five-tenths of one  
4 percent (0.5%) of the funds generated.

5 L. The "purse committees" shall be comprised of the official  
6 elected horsemen representatives for each breed as designated in  
7 Section 267 of this title. The total contribution of the  
8 participating tribes made pursuant to subparagraph b of paragraph 3  
9 of subsection K of this section shall be distributed as directed by  
10 the purse committees based on the following formula, to wit: fifty  
11 percent (50%) by the purse committee representing Thoroughbred  
12 horses; forty percent (40%) by the purse committee representing  
13 Quarter Horses; and ten percent (10%) by the purse committee  
14 representing Paint and Appaloosa horses.

15 The purse committees shall meet at least sixty (60) days prior  
16 to the beginning of a calendar year to provide directions for  
17 placement of the purse funds described in subparagraph b of  
18 paragraph 3 subsection K of this section with one or more  
19 organization licensees for the succeeding calendar year. In  
20 providing such directions the purse committees shall consider and  
21 attempt to achieve the following preferences in the order set forth  
22 below:

23 FIRST. Through the use of no more than fifty percent (50%) of  
24 the purse funds available for distribution under this section,

1 maintaining the purse structures of any organization licensee  
2 operating a racetrack location located in a county with a population  
3 exceeding six hundred thousand (600,000) persons, according to the  
4 most recent federal decennial census, at a level that is competitive  
5 with the purse structures of similarly situated race tracks,  
6 including those in surrounding states, and that will encourage the  
7 participation by horsemen in that organization licensee's race meet  
8 or meets; and

9 SECOND. Maintaining the purse structures of the organization  
10 licensee closest in geographic proximity to the location where the  
11 purse funds described in subparagraph b of paragraph 3 of subsection  
12 K of this section were generated at a level that is competitive with  
13 the purse structures of similarly situated race tracks, including  
14 those in surrounding states, and that will encourage the  
15 participation by horsemen in that organization licensee's race meet  
16 or meets; and

17 THIRD. Maintaining the purse structures of the remaining  
18 organization licensees in the state at a level that will encourage  
19 the participation by horsemen in those organization licensees' race  
20 meet or meets.

21 SECTION 8. This act shall become effective July 1, 2017.

22 SECTION 9. It being immediately necessary for the preservation  
23 of the public peace, health or safety, an emergency is hereby  
24

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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