

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3693

By: Culver

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8 COMMITTEE SUBSTITUTE

9 An Act relating to amusements and sports; amending 3A
10 O.S. 2021, Section 208.3, which relates to the
11 Oklahoma Horse Racing Commission; prohibiting the
12 Commission from expending certain funds when other
13 funds are available; and providing an effective date.

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

15 SECTION 1. AMENDATORY 3A O.S. 2021, Section 208.3, is
16 amended to read as follows:

17 Section 208.3 A. There is hereby created in the State Treasury
18 an agency special account for the Oklahoma Horse Racing Commission,
19 to be designated the "Oklahoma Breeding Development Fund Special
20 Account". The fund shall be a continuing fund, not subject to
21 fiscal year limitations, and shall consist of all monies received by
22 the Commission for deposit in the fund pursuant to Section 205.6 of
23 this title and from revenue received as breakage and from unclaimed
24 pari-mutuel tickets. All monies accruing to the credit of the fund

1 are hereby appropriated and may be budgeted and expended by the
2 Commission for the purposes specified in subsection B of this
3 section. Expenditures from the fund shall be made upon vouchers
4 prescribed by the State Treasurer and issued by the Commission
5 against the Oklahoma Breeding Development Fund Special Account. The
6 official registering agency designated by the Commission pursuant to
7 subsection D of this section shall verify the current eligibility of
8 a participating horse prior to distributing any purse supplement,
9 stake, reward or award from the Oklahoma Breeding Development Fund
10 Special Account. Any person entitled to monies from the Oklahoma
11 Breeding Development Fund Special Account as a purse supplement,
12 stake, reward, or award (awards), will forfeit such monies if that
13 person fails to comply with all requirements necessary for earning
14 the awards. Further, any such person will forfeit such monies if,
15 within one (1) year from the date of the race in which such award
16 was earned, that person does not submit the state voucher for
17 payment or for replacement in the event of an expired voucher, or if
18 that person fails to submit all documentation required by the
19 Oklahoma Horse Racing Commission. In such event, monies accrued
20 from forfeiture will be returned to the Oklahoma Breeding
21 Development Fund Special Account for expenditure by the Commission
22 for the purposes specified in subsection B of this section.
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1 B. No monies shall be expended by the Commission from the
2 Oklahoma Breeding Development Fund Special Account except for any of
3 the following purposes:

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

6 2. To provide stakes and rewards to be paid to the owners of
7 the winning Oklahoma-bred horses in certain horse races;

8 3. To provide stallion awards to the owner of the Oklahoma
9 stallion which is the sire of an Oklahoma-bred horse if such a horse
10 wins any race conducted at a race meeting;

11 4. To provide breeders awards to the owner of the Oklahoma-
12 registered mare which is the dam of an Oklahoma-bred horse if such a
13 horse wins any race conducted at a race meeting;

14 5. To provide monies for equine research through state
15 institutions accredited for the same;

16 6. To provide monies for use in marketing, promoting and
17 advertising the Oklahoma-Bred Program and the Oklahoma horse racing
18 industry to the people of Oklahoma, the United States and abroad;

19 7. To provide for the administration of the Oklahoma Breeding
20 Development Program. The Oklahoma Horse Racing Commission is hereby
21 authorized to utilize up to fifteen percent (15%) of the prior
22 year's receipts for administration. All expenses reimbursed as
23 administrative pursuant to this subsection shall be itemized and
24 audited pursuant to subsection E of this section. Any monies

1 transferred from the Oklahoma Breeding Development Fund Special
2 Account to the Oklahoma Breeding Development Revolving Fund for
3 administrative reimbursement found to be unsubstantiated, excessive
4 or ineligible for reimbursement by the audit shall be returned to
5 the Oklahoma Breeding Development Fund Special Account within thirty
6 (30) days of the conclusion of the audit; and

7 8. To provide, upon the request of an official horsemen's
8 representative organization for a breed, funding to any nonprofit
9 entity that is based in Oklahoma and exempt from taxation pursuant
10 to the provisions of the United States Internal Revenue Code, 26
11 U.S.C. Section 501(c), for the purpose of providing care of retired
12 and unwanted Oklahoma-bred racing stock of the particular breed of
13 horse represented by the requesting organization. Provided,
14 however, that no monies shall be expended by the Commission for the
15 purpose of this paragraph if federal funds are available for the
16 same purpose.

17 C. By rule the Commission shall:

18 1. Define the term "Oklahoma-bred horse";

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

21 3. Provide for the registration of Oklahoma-domiciled mares and
22 stallions and Oklahoma-bred horses. No such horse shall compete in
23 the races limited to Oklahoma-bred horses unless registered with the
24 Commission. The Commission may prescribe such forms as are

1 necessary to determine the eligibility of such horses; provided,
2 breeding stallions shall be eligible for registration in the
3 Oklahoma-bred breeding program until July 1 of the breeding year.
4 No person shall knowingly prepare or cause preparation of an
5 application for registration of such foals which contains false
6 information;

7 4. Establish a schedule of fees for the registration of
8 Oklahoma-domiciled mares and stallions and Oklahoma-bred horses
9 sufficient to provide for all expenses incurred in the
10 administration of the Oklahoma Breeding Development Fund Special
11 Account;

12 5. Allow a mare registered as Oklahoma-bred racing stock which
13 has not been registered as an Oklahoma broodmare prior to foaling to
14 be registered as an Oklahoma broodmare upon payment of the
15 registration fee and a late fee not to exceed Two Hundred Dollars
16 (\$200.00), which action shall entitle the foals of the mare to be
17 registered as Oklahoma-bred horses, provided all other
18 qualifications of the Commission are met; and

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

22 D. The Commission may contract with and designate an official
23 registering agency to implement the registration of horses and the
24 payment of awards from the Oklahoma Breeding Development Fund

1 Special Account. The official registering agency shall operate
2 under the supervision of the Commission and be subject to the rules
3 and regulations of the Commission. The official registering agency
4 shall receive no compensation except fees received for registration
5 of horses. In the event the Commission elects to perform as the
6 official registering agency rather than contracting for such
7 services, the Commission shall deposit all registration fees from
8 the registration of Oklahoma-bred horses into the Oklahoma Breeding
9 Development Fund Special Account.

10 SECTION 2. This act shall become effective November 1, 2024.
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12 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY - CIVIL, dated
13 02/19/2024 - DO PASS, As Amended.
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