

1 ENGROSSED HOUSE
2 BILL NO. 1027

By: Luttrell, Pittman, and
Hefner of the House

3 and

4 Coleman of the Senate

5
6 [amusements and sports - gaming exemption - Gaming
7 Compact Supplement - pools - term - fees - content
8 - procedures - funds - conduct - participation -
9 codification - effective date]
10

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

12 SECTION 1. AMENDATORY 3A O.S. 2021, Section 262, is
13 amended to read as follows:

14 Section 262. A. If at least four Indian tribes enter into the
15 model tribal-state compact set forth in Section 281 of this title,
16 and such compacts are approved by the Secretary of the Interior and
17 notice of such approval is published in the Federal Register, the
18 Oklahoma Horse Racing Commission ("Commission") shall license
19 organization licensees which are licensed pursuant to Section 205.2
20 of this title to conduct authorized gaming as that term is defined
21 by this act pursuant to this act utilizing gaming machines or
22 devices authorized by this act subject to the limitations of
23 subsection C of this section. No fair association or organization
24 licensed pursuant to Section 208.2 of this title or a city, town or

1 municipality incorporated or otherwise, or an instrumentality
2 thereof, may conduct authorized gaming as that term is defined by
3 this act.

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

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

16 B. Except for Christmas Day, authorized gaming may only be
17 conducted by an organization licensee on days when the licensee is
18 either conducting live racing or is accepting wagers on simulcast
19 races at the licensee's racing facilities. Authorized gaming may
20 only be conducted by organization licensees at enclosure locations
21 where live racing is conducted. Under no circumstances shall
22 authorized gaming be conducted by an organization licensee at any
23 facility outside the organization licensee's racing enclosure. No
24 person who would not be eligible to be a patron of a pari-mutuel

1 system of wagering pursuant to the provisions of subsection B of
2 Section 208.4 of this title shall be admitted into any area of a
3 facility when authorized games are played nor be permitted to
4 operate, or obtain a prize from, or in connection with, the
5 operation of any authorized game, directly or indirectly.

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

14 1. An organization licensee operating a racetrack location at
15 which an organization licensee is licensed to conduct a race meeting
16 pursuant to the provisions of Section 205.2 of this title located in
17 a county with a population exceeding six hundred thousand (600,000)
18 persons, according to the most recent Federal Decennial Census,
19 shall be licensed to operate not more than six hundred fifty (650)
20 player terminals in any year. Beginning with the third year after
21 an organization licensee is licensed pursuant to this paragraph to
22 operate such player terminals, such licensee may be licensed to
23 operate an additional fifty (50) player terminals. Beginning with
24 the fifth year after an organization licensee is licensed pursuant

1 to this paragraph to operate such player terminals, such licensee
2 may be licensed to operate a further additional fifty (50) player
3 terminals; and

4 2. Two organization licensees operating racetrack locations at
5 which the organization licensees are licensed to conduct race
6 meetings pursuant to the provisions of Section 205.2 of this title
7 located in counties with populations not exceeding four hundred
8 thousand (400,000) persons, according to the most recent Federal
9 Decennial Census, may each be licensed to operate not more than two
10 hundred fifty (250) player terminals in any year.

11 Subject to the limitations on the number of player terminals
12 permitted to each organization licensee, an organization licensee
13 may utilize electronic amusement games as defined in this act,
14 electronic bonanza-style bingo games as defined in this act and
15 electronic instant bingo games as defined in this act, and any type
16 of gaming machine or device that is specifically allowed by law and
17 that an Indian tribe in this state is authorized to utilize pursuant
18 to a compact entered into between the state and the tribe in
19 accordance with the provisions of the Indian Gaming Regulatory Act
20 and any other machine or device that an Indian tribe in this state
21 is lawfully permitted to operate pursuant to the Indian Gaming
22 Regulatory Act, referred to collectively as "authorized games". An
23 organization licensee's utilization of such machines or devices
24 shall be subject to the regulatory control and supervision of the

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

20 D. No zoning or other local ordinance may be adopted or amended
21 by a political subdivision where an organization licensee conducts
22 live horse racing with the intent to restrict or prohibit an
23 organization licensee's right to conduct authorized gaming at such
24 location.

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

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

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

18 H. This act is game-specific and shall not be construed to
19 allow the operation of any other form of gaming unless specifically
20 allowed by this act. This act shall not permit the operation of
21 slot machines, house-banked card games, house-banked table games
22 involving dice or roulette wheels, or ~~games where winners are~~
23 ~~determined by~~ wagering on the outcome of a sports contest; provided,
24 however, that in-person wagering and wagering conducted on a mobile

1 device on the outcome of sports contests may be conducted in
2 accordance with Section 3 of this act.

3 SECTION 2. AMENDATORY 3A O.S. 2021, Section 280, is
4 amended to read as follows:

5 Section 280. The State of Oklahoma through the concurrence of
6 the Governor after considering the executive prerogatives of that
7 office and the power to negotiate the terms of a compact between the
8 state and a tribe, and by means of the execution of the State-Tribal
9 Gaming Act, and with the concurrence of the State Legislature
10 through the enactment of the State-Tribal Gaming Act, hereby makes
11 the following offer of a ~~model tribal gaming compact~~ Model Tribal
12 Gaming Compact regarding gaming to all federally recognized Indian
13 tribes as identified in the Federal Register within this state that
14 own or are the beneficial owners of Indian lands as defined by the
15 Indian Gaming Regulatory Act, 25 U.S.C., Section 2703(4), and over
16 which the tribe has jurisdiction as recognized by the Secretary of
17 the Interior and is a part of the tribe's "Indian reservation" as
18 defined in 25 C.F.R., Part 151.2 or has been acquired pursuant to 25
19 C.F.R., Part 151, which, if accepted, shall constitute a gaming
20 compact between this state and the accepting tribe for purposes of
21 the Indian Gaming Regulatory Act. Acceptance of the offer contained
22 in this section shall be through the signature of the chief
23 executive officer of the tribal government whose authority to enter
24 into the ~~compact~~ Compact shall be set forth in an accompanying law

1 or ordinance or resolution by the governing body of the tribe, a
2 copy of which shall be provided by the tribe to the Governor. No
3 further action by the Governor or the state is required before the
4 ~~compact~~ Compact can take effect. A tribe accepting this Model
5 Tribal Gaming Compact is responsible for submitting a copy of the
6 Compact executed by the tribe to the Secretary of the Interior for
7 approval and publication in the Federal Register. The tribe shall
8 provide a copy of the executed Compact to the Governor. No tribe
9 shall be required to agree to terms different than the terms set
10 forth in the Model Tribal Gaming Compact, which is set forth in
11 Section 281 of this title. As a precondition to execution of the
12 Model Tribal Gaming Compact by any tribe, the tribe must have paid
13 or entered into a written agreement for payment of any fines
14 assessed prior to the effective date of the State-Tribal Gaming Act
15 by the federal government with respect to the tribe's gaming
16 activities pursuant to the Indian Gaming Regulatory Act.

17 Notwithstanding the provisions of Sections 941 through 988 of
18 Title 21 of the Oklahoma Statutes, the conducting of and the
19 participation in any game authorized by the ~~model compact~~ Model
20 Tribal Gaming Compact set forth in Section 281 of this title are
21 lawful when played pursuant to a compact which has become effective.

22 1. Prior to July 1, 2008, of all fees received by the state
23 pursuant to subsection A of Part 11 of the Model Tribal Gaming
24 Compact set forth in Section 281 of this title:

- 1 a. twelve percent (12%) shall be deposited in the
2 Oklahoma Higher Learning Access Trust Fund, and
3 b. eighty-eight percent (88%) of such fees shall be
4 deposited in the Education Reform Revolving Fund.

5 2. On or after July 1, 2008, of all fees received by the state
6 pursuant to subsection A of Part 11 of the Model Tribal Gaming
7 Compact set forth in Section 281 of this title and Gaming Compact
8 Supplements offered pursuant to Section ~~2~~ 280.1 of this title and
9 Section 3 of this act:

- 10 a. twelve percent (12%) shall be deposited in the General
11 Revenue Fund, and
12 b. eighty-eight percent (88%) of such fees shall be
13 deposited in the Education Reform Revolving Fund.

14 Provided, the first Twenty Thousand Eight Hundred Thirty-three
15 Dollars and thirty-three cents (\$20,833.33) of all fees received
16 each month by the state pursuant to subsection A of Part 11 of the
17 Model Tribal Gaming Compact set forth in Section 281 of this title
18 and Gaming Compact Supplements offered pursuant to Section ~~2~~ 280.1
19 of this title and Section 3 of this act shall be transferred to the
20 Department of Mental Health and Substance Abuse Services for the
21 treatment of compulsive gambling disorder and educational programs
22 related to such disorder.

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

4 A. Provided that federal laws permit and pursuant to the offer
5 of the Model Tribal Gaming Compact made in Section 280 of Title 3A
6 of the Oklahoma Statutes and the definition of "covered games" in
7 the Model Tribal Gaming Compact codified in Section 281 of Title 3A
8 of the Oklahoma Statutes, which said codified compact offer provides
9 the state may approve additional forms of covered games under said
10 compact by amendment of the State-Tribal Gaming Act and a compacting
11 tribe may operate such additional forms of covered games by written
12 supplement to an existing compact, the state hereby approves,
13 subject to this section, an additional game offering as follows:

14 "Sports pools" means any in-person wagering and wagering
15 conducted on a mobile device on the outcome of sporting events or
16 other events, other than horse or other animal races.

17 B. Should a tribe that has compacted with the state in
18 accordance with Sections 280 and 281 of Title 3A of the Oklahoma
19 Statutes elect to accept this offer of an additional covered game
20 and, accordingly, to operate sports pools under the terms of its
21 existing gaming compact with the state, said tribe shall execute a
22 supplement to said compact, to provide as follows:

23 MODEL TRIBAL GAMING COMPACT SUPPLEMENT

24 Between the [Name of Tribe]

1 and the STATE OF OKLAHOMA

2 To be governed in accord with the [Name of Tribe]'s State-Tribal
3 Gaming Compact ("Compact"), approved by the United States Department
4 of the Interior on [Date], the [Name of Tribe] ("Tribe") accepts the
5 state's offer of additional covered game codified in Section 280.2
6 of Title 3A of the Oklahoma Statutes, which offer and this
7 acceptance are subject to the following terms:

8 Part 1. TITLE

9 This document shall be referred to as the "[Name of Tribe] and
10 State of Oklahoma Gaming Compact Sports Pools Supplement (Gaming
11 Compact Supplement)".

12 Part 2. TERMS

13 A. The Tribe hereby memorializes its election to accept the
14 state's offer of an additional covered game, which offer is codified
15 in Section 280.2 of Title 3A of the Oklahoma Statutes. The Tribe
16 further certifies and agrees it shall not offer such additional
17 covered game unless and until doing so would be legal under federal
18 law.

19 B. The Tribe agrees, subject to the enforcement and exclusivity
20 provisions of its Compact, to pay to the state a fee derived from
21 sports pool revenues calculated as set forth in paragraph 2 of this
22 subsection. Such fee shall be paid no later than the twentieth day
23 of the month for revenues received by the Tribe in the preceding
24 month; and

1 1. The fee shall be:

- 2 a. four percent (4%) of the first Five Million Dollars
3 (\$5,000,000.00) of monthly net win received by a Tribe
4 in a calendar year from the pay of sports pools,
5 b. five percent (5%) of the next Five Million Dollars
6 (\$5,000,000.00) of adjusted gross revenues received by
7 a Tribe in a calendar year from the play of sports
8 pools, and
9 c. six percent (6%) of all subsequent adjusted gross
10 revenues received by a Tribe in a calendar year from
11 the play of sports pools.

12 Payments of such fees shall be made to the Treasurer of the State of
13 Oklahoma. Nothing herein shall require the allocation of such fees
14 to particular state purposes, including, but not limited to, the
15 actual costs of performing the State's regulatory responsibilities
16 hereunder. "Net win" shall mean all money wagered less prizes paid
17 out and less applicable federal taxes. For all purposes, such
18 payment shall be deemed an exclusivity and fee payment under
19 paragraph 2 of subsection A of Part 11 of the State-Tribal Gaming
20 Compact between the electing Tribe and the State.

21 C. The Tribe's operation of sports pools pursuant to this
22 Gaming Compact Supplement shall, for all purposes, including
23 enforcement and exclusivity, be treated as subject to and lawfully
24 conducted under the terms and provisions of the Compact.

1 Part 3. AUTHORITY TO EXECUTE

2 This Gaming Compact Supplement, to the extent it conforms with
3 Section 280.2 of Title 3A of the Oklahoma Statutes, is deemed
4 approved by the State of Oklahoma. No further action of the State
5 or any state official is necessary for this Gaming Compact
6 Supplement to take effect upon approval by the Secretary of the
7 United States Department of the Interior and publication in the
8 Federal Register. The undersigned tribal official(s) represents
9 that he or she is duly authorized and has the authority to execute
10 this Gaming Compact Supplement on behalf of the Tribe for whom he or
11 she is signing.

12 APPROVED:

13 [Name of Tribe]

14 _____ Date: _____

15 [Title]

16 C. A tribe electing to accept this additional game offering is
17 responsible for submitting a copy of the executed supplement to the
18 Secretary of the United States Department of the Interior for
19 approval and publication in the Federal Register.

20 D. Upon approval of a supplement by the Secretary of the United
21 States Department of the Interior, said supplement shall be
22 construed as an acceptance of this offer and a supplement to the
23 Tribe's existing State-Tribal Gaming Compact with the State.

1 Thereafter, sports pools shall be deemed a covered game pursuant to
2 said Compact.

3 E. The Tribe is entitled to keep an amount equal to state
4 payments from the operation of sports pools. For all purposes, such
5 payment shall be deemed an exclusivity and fee payment under
6 paragraph 2 of subsection A of Part 11 of the State-Tribal Gaming
7 Compact between the electing Tribe and the State.

8 F. The offer contained in this section shall not be construed
9 to permit the operation of any additional form of gaming by
10 organization licensees or permit any additional electronic or
11 machine gaming within Oklahoma.

12 G. Notwithstanding the provisions of Sections 941 through 988
13 of Title 21 of the Oklahoma Statutes, the conducting of and
14 participation in any game authorized pursuant to this section are
15 lawful when played pursuant to a compact supplement which has become
16 effective in accordance with this section.

17 SECTION 4. This act shall become effective November 1, 2023.

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1 Passed the House of Representatives the 21st day of March, 2023.

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3 _____
4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ____ day of _____, 2023.

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8 _____
9 Presiding Officer of the Senate