

1 ENGROSSED HOUSE
2 BILL NO. 1395

By: Luttrell of the House

3 and

4 Coleman of the Senate

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6
7 An Act relating to amusements and sports; amending 3A
8 O.S. 2021, Sections 203.1 and 205.2, which relate to
9 the Oklahoma Horse Racing Commission; modifying who
10 is prohibited from receiving certain funds; modifying
11 provision related to starting gates; repealing 3A
12 O.S. 2021, Section 202, which relates to the Oklahoma
13 Horse Racing Commission; and providing an effective
14 date.

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

16 SECTION 1. AMENDATORY 3A O.S. 2021, Section 203.1, is
17 amended to read as follows:

18 Section 203.1 A. A member of the Oklahoma Horse Racing
19 Commission shall not accept any gift, loan, entertainment or favor
20 from any occupation or organization licensee, except such suitable
21 facilities and services within the enclosure of an organization
22 licensee as may be required by the member to facilitate the proper
23 performance of his or her duties. A member of the Oklahoma Horse
24 Racing Commission, other than a member required by the provisions of
Section 201 of this title to be experienced in the horse industry,

1 shall not accept any compensation or service from any occupation or
2 organization licensee, except such suitable facilities and services
3 within the enclosure of an organization licensee as may be required
4 by the member to facilitate the proper performance of his or her
5 duties.

6 B. No member of the Commission or Commission employee shall
7 place any wagers on any horse race over which the Commission has
8 jurisdiction.

9 C. ~~Members of the Commission and members of their immediate~~
10 ~~families, and~~ Commission employees and members of their immediate
11 families are prohibited from receiving purse supplements, stakes,
12 rewards, stallion awards, broodmare awards, or breeders awards of
13 any kind, or marketing, promotion, or advertising monies of any kind
14 from the Oklahoma Breeding Development Fund Special Account
15 administered by the Commission pursuant to Section 208.3 of this
16 title. "Immediate family" has the meaning provided by Rule 257:1-1-
17 2 of the Rules of the Ethics Commission, Chapter 62, App. of Title
18 74 of the Oklahoma Statutes.

19 D. Nothing in this section shall prohibit members of the
20 Commission, who are required by the provisions of Section 201 of
21 this title to be experienced in the horse industry, from receiving
22 purses for participating horses from an organization licensee.

23 E. Provided, any member of the Commission who has an ownership
24 interest in any horse shall be prohibited from participating in the

1 discussion on, voting on, influencing or attempting to influence the
2 official action of the Commission in any matter affecting the
3 eligibility of such horse to participate in any race or which
4 determines the amount or receipt of any purse by the Commission
5 member or any member of the family of the Commission member. A
6 commissioner shall be eligible to participate in the discussion on,
7 vote on, influence or attempt to influence the official action of
8 the Commission if the only benefit to accrue to the Commissioner or
9 any member of the Commissioner's family is a benefit which accrues
10 to the Commissioner or a member of the Commissioner's family as a
11 result of being a member of a large class to no greater extent than
12 could reasonably be foreseen to accrue to all other members of the
13 large class.

14 SECTION 2. AMENDATORY 3A O.S. 2021, Section 205.2, is
15 amended to read as follows:

16 Section 205.2 A. Applications for organization licenses must
17 be filed with the Commission at a time and place prescribed by the
18 rules and regulations of the Commission. Beginning with
19 organization license applications for the 1994 calendar year, the
20 Commission shall develop and use separate application forms for
21 applicants requesting an organization license to conduct horse
22 racing with the pari-mutuel system of wagering and applicants
23 requesting an organization license to conduct horse racing without
24 the pari-mutuel system of wagering. For use for the 1993 calendar

1 year organization licenses, an applicant requesting to conduct horse
2 racing without the pari-mutuel system of wagering shall make
3 application with the Commission on American Quarter Horse
4 Association application forms. Applications for an organization
5 license to conduct horse racing without the pari-mutuel system of
6 wagering for the 1993 calendar year shall be filed with the
7 Commission on or before the 1st day of August, 1992. Each applicant
8 requesting an organization license to conduct horse racing with the
9 pari-mutuel system of wagering shall include with each application a
10 nonrefundable license fee equal to the sum of Five Thousand Dollars
11 (\$5,000.00) for each race meeting and Two Hundred Dollars (\$200.00)
12 for each racing day requested. Provided, the fee for Five Thousand
13 Dollars (\$5,000.00) shall be waived for applicants applying pursuant
14 to the provisions of Section 208.2 of this title. Each applicant
15 requesting an organization license to conduct horse racing without
16 the pari-mutuel system of wagering or to conduct accredited work or
17 training races shall include with each application a nonrefundable
18 license fee of Five Hundred Dollars (\$500.00) for each race meeting.
19 Such fee shall be in the form of a certified check or bank draft
20 payable to the order of the Commission. Within thirty (30) days
21 after the date specified for filing, the Commission shall examine
22 the applications for compliance with the provisions of the Oklahoma
23 Horse Racing Act and such rules and regulations as may be
24 promulgated by the Commission. If any application does not comply

1 with the provisions of the Oklahoma Horse Racing Act or the rules
2 and regulations promulgated by the Commission, the application may
3 be rejected or the Commission may direct the applicant to comply
4 with the provisions of the Oklahoma Horse Racing Act or the rules
5 and regulations of the Commission within a reasonable time as
6 determined by the Commission. Upon proof by the applicant of
7 compliance, the Commission may reconsider the application. If it is
8 found to be in compliance with the provisions of the Oklahoma Horse
9 Racing Act and the rules and regulations of the Commission, the
10 Commission may then issue an organization license to the applicant.

11 B. The Commission may exercise discretion in the issuing of
12 organization licenses to qualified applicants. The Commission may
13 also determine and grant racing dates different from those requested
14 by the applicants in their applications.

15 C. The Commission may determine and grant the number of racing
16 days to be allotted to each applicant. When granting organization
17 licenses and allocating dates for race meetings which will, in the
18 judgment of the Commission, be conducive to the best interests of
19 the public and the sport of horse racing, the Commission shall give
20 consideration to:

21 1. The character, reputation, experience, and financial
22 integrity of each applicant and of any other person that:

23 a. directly or indirectly controls such applicant, or
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1 b. is directly or indirectly controlled by such applicant
2 or by a person who directly or indirectly controls
3 such applicant; and

4 2. The facilities and accommodations of the applicant for the
5 conduct of race meetings; and

6 3. The location of the race meeting of the applicant in
7 relation to the principal centers of population of this state; and

8 4. The highest prospective total revenue to be derived by the
9 state from the conduct of the race meeting.

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

1 mortgages shall not be included in the determination of the bond
2 amount.

3 E. The Commission shall notify each applicant of the racing
4 dates allotted to such applicant. The notice shall be in writing
5 and sent by registered mail to the applicant at the address stated
6 in the application. The notice shall be mailed within two (2)
7 business days of the date the allotment is made. After the mailing
8 of such notice of allotment, each applicant shall file with the
9 Commission within ten (10) days an acceptance of such allotment on a
10 form prescribed and furnished by the Commission.

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

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

19 H. All horse racing conducted pursuant to the provisions of an
20 organization license is subject to the provisions of the Oklahoma
21 Horse Racing Act and of the rules, regulations and directives
22 promulgated by the Commission, and every organization license issued
23 by the Commission shall contain a statement to that effect.

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1 I. Any organization licensee may provide, with prior approval
2 by the Commission, that at least one horse race a day may be devoted
3 to the racing of a type of horse which is different from the type of
4 horse being raced in the other races conducted by the organization
5 licensee on that day. When scheduled races are trial heats for
6 futurities or stakes races electronically timed from the starting
7 gates, no organization licensee shall move the starting gates or
8 allow the starting gates to be moved until all trial heats are
9 complete, unless they are using a device approved by the horsemen's
10 representative and the stewards that will ensure the gates are set
11 in the same position, except in an emergency as determined by the
12 stewards.

13 J. Organization licenses may be revoked if the organization
14 licensee or any person owning an interest in the organization
15 licensee:

- 16 1. Violates any provision of the Oklahoma Horse Racing Act; ~~or~~
- 17 2. Violates any provision of the rules and regulations
18 promulgated pursuant to the provisions of the Oklahoma Horse Racing
19 Act; ~~or~~
- 20 3. Has been convicted of a felony; ~~or~~
- 21 4. Has been convicted of violating any law regarding gambling
22 or controlled dangerous substances of the United States, this state,
23 or any other state; ~~or~~

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1 5. Has failed to disclose or has stated falsely any information
2 contained in the application; or

3 6. Has concealed in whole or in part the true ownership of the
4 organization licensee.

5 Any organization license revocation proceeding shall be
6 conducted pursuant to the provisions of Sections 302 through 323 of
7 Title 75 of the Oklahoma Statutes.

8 K. The fees received by the Commission pursuant to the
9 provisions of this section shall be apportioned to the Oklahoma
10 Horse Racing Commission Operational Expenses Revolving Fund.

11 L. The provisions of the Oklahoma Horse Racing Act and rules
12 promulgated by the Commission shall apply to an organization
13 licensee during the entire calendar year in which the license was
14 issued.

15 SECTION 3. REPEALER 3A O.S. 2021, Section 202, is hereby
16 repealed.

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

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1 Passed the House of Representatives the 8th 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