

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 HOUSE BILL 1863

By: Fugate

4
5
6 AS INTRODUCED

7 An Act relating to the State-Tribal Gaming Act;
8 amending 3A O.S. 2011, Section 262, as last amended
9 by Section 1, Chapter 11, O.S.L. 2018 (3A O.S. Supp.
10 2018, Section 262), which relates to authorized
11 gaming licenses; requiring posting of odds and
12 payback percentages; and providing an effective date.

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

14 SECTION 1. AMENDATORY 3A O.S. 2011, Section 262, as last
15 amended by Section 1, Chapter 11, O.S.L. 2018 (3A O.S. Supp. 2018,
16 Section 262), is amended to read as follows:

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

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

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

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

19 B. Except for Christmas Day, authorized gaming may only be
20 conducted by an organization licensee on days when the licensee is
21 either conducting live racing or is accepting wagers on simulcast
22 races at the licensee's racing facilities. Authorized gaming may
23 only be conducted by organization licensees at enclosure locations
24 where live racing is conducted. Under no circumstances shall

1 authorized gaming be conducted by an organization licensee at any
2 facility outside the organization licensee's racing enclosure. No
3 person who would not be eligible to be a patron of a pari-mutuel
4 system of wagering pursuant to the provisions of subsection B of
5 Section 208.4 of this title shall be admitted into any area of a
6 facility when authorized games are played nor be permitted to
7 operate, or obtain a prize from, or in connection with, the
8 operation of any authorized game, directly or indirectly.

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

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

1 operate such player terminals, such licensee may be licensed to
2 operate an additional fifty (50) player terminals. Beginning with
3 the fifth year after an organization licensee is licensed pursuant
4 to this paragraph to operate such player terminals, such licensee
5 may be licensed to operate a further additional fifty (50) player
6 terminals; and

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

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

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

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

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

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

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

23 H. This act is game-specific and shall not be construed to
24 allow the operation of any other form of gaming unless specifically

1 allowed by this act. This act shall not permit the operation of
2 slot machines, house-banked card games, house-banked table games
3 involving dice or roulette wheels, or games where winners are
4 determined by the outcome of a sports contest.

5 SECTION 2. This act shall become effective November 1, 2019.

6

7 57-1-5550 SH 01/09/19

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24