

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR

5 HOUSE BILL NO. 3693

By: Culver

6
7 COMMITTEE SUBSTITUTE

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

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

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

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

1 Commission for the purposes specified in subsection B of this
2 section. Expenditures from the fund shall be made upon vouchers
3 prescribed by the State Treasurer and issued by the Commission
4 against the Oklahoma Breeding Development Fund Special Account. The
5 official registering agency designated by the Commission pursuant to
6 subsection D of this section shall verify the current eligibility of
7 a participating horse prior to distributing any purse supplement,
8 stake, reward or award from the Oklahoma Breeding Development Fund
9 Special Account. Any person entitled to monies from the Oklahoma
10 Breeding Development Fund Special Account as a purse supplement,
11 stake, reward, or award (awards), will forfeit such monies if that
12 person fails to comply with all requirements necessary for earning
13 the awards. Further, any such person will forfeit such monies if,
14 within one (1) year from the date of the race in which such award
15 was earned, that person does not submit the state voucher for
16 payment or for replacement in the event of an expired voucher, or if
17 that person fails to submit all documentation required by the
18 Oklahoma Horse Racing Commission. In such event, monies accrued
19 from forfeiture will be returned to the Oklahoma Breeding
20 Development Fund Special Account for expenditure by the Commission
21 for the purposes specified in subsection B of this section.

22 B. No monies shall be expended by the Commission from the
23 Oklahoma Breeding Development Fund Special Account except for any of
24 the following purposes:

- 1 1. To provide purse supplements to owners of Oklahoma-bred
2 horses;
- 3 2. To provide stakes and rewards to be paid to the owners of
4 the winning Oklahoma-bred horses in certain horse races;
- 5 3. To provide stallion awards to the owner of the Oklahoma
6 stallion which is the sire of an Oklahoma-bred horse if such a horse
7 wins any race conducted at a race meeting;
- 8 4. To provide breeders awards to the owner of the Oklahoma-
9 registered mare which is the dam of an Oklahoma-bred horse if such a
10 horse wins any race conducted at a race meeting;
- 11 5. To provide monies for equine research through state
12 institutions accredited for the same;
- 13 6. To provide monies for use in marketing, promoting and
14 advertising the Oklahoma-Bred Program and the Oklahoma horse racing
15 industry to the people of Oklahoma, the United States and abroad;
- 16 7. To provide for the administration of the Oklahoma Breeding
17 Development Program. The Oklahoma Horse Racing Commission is hereby
18 authorized to utilize up to fifteen percent (15%) of the prior
19 year's receipts for administration. All expenses reimbursed as
20 administrative pursuant to this subsection shall be itemized and
21 audited pursuant to subsection E of this section. Any monies
22 transferred from the Oklahoma Breeding Development Fund Special
23 Account to the Oklahoma Breeding Development Revolving Fund for
24 administrative reimbursement found to be unsubstantiated, excessive

1 or ineligible for reimbursement by the audit shall be returned to
2 the Oklahoma Breeding Development Fund Special Account within thirty
3 (30) days of the conclusion of the audit; and

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

14 C. By rule the Commission shall:

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

16 2. Qualify stallions for participation in Oklahoma-bred
17 stallion awards;

18 3. Provide for the registration of Oklahoma-domiciled mares and
19 stallions and Oklahoma-bred horses. No such horse shall compete in
20 the races limited to Oklahoma-bred horses unless registered with the
21 Commission. The Commission may prescribe such forms as are
22 necessary to determine the eligibility of such horses; provided,
23 breeding stallions shall be eligible for registration in the
24 Oklahoma-bred breeding program until July 1 of the breeding year.

1 No person shall knowingly prepare or cause preparation of an
2 application for registration of such foals which contains false
3 information;

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

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

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

19 D. The Commission may contract with and designate an official
20 registering agency to implement the registration of horses and the
21 payment of awards from the Oklahoma Breeding Development Fund
22 Special Account. The official registering agency shall operate
23 under the supervision of the Commission and be subject to the rules
24 and regulations of the Commission. The official registering agency

1 shall receive no compensation except fees received for registration
2 of horses. In the event the Commission elects to perform as the
3 official registering agency rather than contracting for such
4 services, the Commission shall deposit all registration fees from
5 the registration of Oklahoma-bred horses into the Oklahoma Breeding
6 Development Fund Special Account.

7 SECTION 2. This act shall become effective November 1, 2024.

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