

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 HOUSE BILL 3936

 By: Culver

7 AS INTRODUCED

8 An Act relating to amusements and sports; amending 3A
9 O.S. 2021, Sections 200.1 and 204, which relate to
10 the Oklahoma Horse Racing Act; providing definitions;
11 authorizing the Oklahoma Horse Racing Commission to
12 promulgate rules for certain purposes; requiring
13 certain persons or entities to obtain a license under
14 certain circumstances; providing for codification;
15 and providing an effective date.

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

17 SECTION 1. AMENDATORY 3A O.S. 2021, Section 200.1, is
18 amended to read as follows:

19 Section 200.1 A. As used in the Oklahoma Horse Racing Act:

20 1. "Advance deposit wagering" means a form of pari-mutuel
21 wagering by an individual who has established an account with an
22 advance deposit wagering provider and who uses the account for pari-
23 mutuel wagering on interstate horse races pursuant to the Interstate
24 Horseracing Act of 1978 found in Sections 3001 et seq. of Title 15
 of the United States Code;

1 2. "Advance deposit wagering provider" means any person or
2 entity located outside of Oklahoma that conducts advance deposit
3 wagering;

4 3. "Commission" means the Oklahoma Horse Racing Commission;

5 ~~2.~~ 4. "Enclosure" means all buildings, structures and grounds
6 utilized for the conduct of a race meeting and/or gaming at the race
7 track and any additional areas designated by the Oklahoma Horse
8 Racing Commission;

9 ~~3.~~ 5. "Family" means husband, wife, and any dependent children;

10 ~~4.~~ 6. "Financial interest" means an interest that could result
11 in directly or indirectly receiving a pecuniary gain or sustaining a
12 pecuniary loss as a result of ownership or interest in a business
13 entity, or as a result of salary, gratuity, or other compensation or
14 remuneration from any person;

15 ~~5.~~ 7. "Horse racing" means any type of horse racing, including,
16 but not limited to, Arabian, Appaloosa, Paint, Pinto, Quarter Horse,
17 and Thoroughbred horse racing.

18 a. "Arabian horse racing" means the form of horse racing
19 in which each participating horse is an Arabian horse
20 registered with the Arabian Horse Club Registry of
21 America and approved by the Arabian Horse Racing
22 Association of America or any successor organization,
23 mounted by a jockey, and engaged in races on the flat
24

1 over a distance of not less than one-quarter (1/4)
2 mile or more than four (4) miles.

3 b. "Appaloosa horse racing" means the form of horse
4 racing in which each participating horse is an
5 Appaloosa horse registered with the Appaloosa Horse
6 Club or any successor organization and mounted by a
7 jockey.

8 c. "Quarter Horse racing" means the form of horse racing
9 where each participating horse is a Quarter Horse
10 registered with the American Quarter Horse Association
11 or any successor organization, mounted by a jockey,
12 and engaged in a race on the flat.

13 d. "Paint horse racing" means the form of horse racing in
14 which each participating horse is a Paint horse
15 registered with the American Paint Horse Association
16 or any successor organization and mounted by a jockey.

17 e. "Pinto horse racing" means the form of horse racing in
18 which each participating horse is a Pinto horse
19 registered with the Pinto Horse Association of
20 America, Inc. or any successor organization and
21 mounted by a jockey.

22 f. "Thoroughbred horse racing" means the form of horse
23 racing in which each participating horse is a
24 Thoroughbred horse registered with the Jockey Club or

1 any successor organization, mounted by a jockey, and
2 engaged in races on the flat.

3 "Horse racing" shall not mean the racing of a cloned horse or
4 offspring of a cloned horse regardless of whether any breed
5 association has registered the horse;

6 ~~6.~~ 8. "Minor" means any individual under eighteen (18) years of
7 age;

8 ~~7.~~ 9. "Minus pool" means a pari-mutuel pool in which, after
9 deducting the take-out, not enough money remains in the pool to pay
10 the legally prescribed minimum return to those placing winning
11 wagers, and in which the organization licensee would be required to
12 pay the remaining amount due;

13 ~~8.~~ 10. "Occupation licensee" means any person who has obtained
14 an occupation license;

15 ~~9.~~ 11. "Organization licensee" means any person receiving an
16 organization license;

17 ~~10.~~ 12. "Pari-mutuel system of wagering" means a form of
18 wagering on the outcome of horse races in which those who wager
19 purchase wagers of various denominations on a horse or horses and
20 all wagers for each race are pooled and held by the organization
21 licensee for distribution. The pari-mutuel system of wagering uses
22 an electric totalizator or similar equipment which automatically
23 registers the wagers made on each horse;

24

1 ~~11.~~ 13. "Pari-mutuel pool" means the total money wagered by
2 individuals on any horse or horses in a particular horse race to
3 win, place, or show and held by the organization licensee pursuant
4 to the pari-mutuel system of wagering. There is a separate pari-
5 mutuel pool for win, for place, for show, and for each multiple
6 combination of betting approved by the Oklahoma Horse Racing
7 Commission;

8 ~~12.~~ 14. "Person" means any individual, partnership,
9 corporation, or other association or entity; and

10 ~~13.~~ 15. "Race meeting" means the entire period of time not to
11 exceed twenty (20) calendar days separating any race days for which
12 an organization license has been granted to a person by the
13 Commission to hold horse races at which the pari-mutuel system of
14 wagering is conducted, to hold non-pari-mutuel horse races or to
15 conduct accredited work or training races.

16 B. The Commission may define by rule or regulation any term
17 which is not defined in the Oklahoma Horse Racing Act.

18 SECTION 2. AMENDATORY 3A O.S. 2021, Section 204, is
19 amended to read as follows:

20 Section 204. A. The Oklahoma Horse Racing Commission shall:

21 1. Have supervision of:

22 a. all race meetings held in this state; provided, for
23 non-pari-mutuel race meetings and training races held
24 at non-pari-mutuel tracks jurisdiction of the

1 Commission shall be limited to a period of time
2 beginning twelve (12) hours before the commencement of
3 the first race on a race day and ending four (4) hours
4 after the finish of the last race on a race day,

5 b. all occupation and organization licensees in this
6 state, and

7 c. all persons on the property of an organization
8 licensee; provided, for non-pari-mutuel race meetings
9 and training races held at non-pari-mutuel tracks
10 supervision of such persons shall be limited to the
11 period set out in subparagraph a of this paragraph;

12 2. Have the authority to promulgate rules for the purpose of
13 administering the provisions of the Oklahoma Horse Racing Act;

14 3. Administer and enforce the provisions of the Oklahoma Horse
15 Racing Act and the rules of the Commission;

16 4. Adjudicate controversies arising from the enforcement of the
17 provisions of the Oklahoma Horse Racing Act and the rules of the
18 Commission;

19 5. Allocate racing days of not to exceed six (6) days per
20 calendar week, dates, and hours which are in the best interests of
21 the people of this state to organization licensees;

22 6. Promulgate rules for the granting or refusing and the
23 suspension or revoking of licenses;

24

1 7. Promulgate rules for the holding, conducting, and operating
2 of all race meetings held in this state; provided, the rules of the
3 American Quarter Horse Association for regulation of the holding,
4 conducting and operating of non-pari-mutuel race meetings and
5 training races held at non-pari-mutuel tracks shall serve as the
6 rules for the holding, conducting and operating of non-pari-mutuel
7 race meetings and training races held at non-pari-mutuel tracks,
8 except that appeals from decisions of the stewards shall be to the
9 Commission, until such time as the Commission has promulgated
10 substantially similar rules for regulation of the holding,
11 conducting and operating of non-pari-mutuel race meetings and
12 training races held at non-pari-mutuel tracks;

13 8. Promulgate rules to establish the terms and requirements for
14 obtaining and maintaining an advance deposit wagering license;

15 9. Have supervision and control of the pari-mutuel machines and
16 all other equipment at all race meetings held in this state;

17 ~~9.~~ 10. Check the making of pari-mutuel pools and the
18 distribution of such pools and shall:

19 a. contract with the Office of the State Auditor and
20 Inspector to conduct an annual audit and inspection of
21 live race meets in this state, and

22 b. reimburse the Office of the State Auditor and
23 Inspector for the cost of these services;

24 ~~10.~~ 11. Promulgate rules governing:

- 1 a. bids on leases,
2 b. the rate charged by an organization licensee for
3 admission to races, and
4 c. the rate charged for the performance of any service or
5 for the sale of any article on the premises of an
6 organization licensee;

7 ~~11.~~ 12. Approve all contracts and agreements for the payment of
8 money and all salaries, fees, and compensations by any organization
9 licensee;

10 ~~12.~~ 13. Have the authority to exclude, or compel the exclusion,
11 from any race meeting:

- 12 a. any person who violates the provisions of any rule or
13 order of the Commission or any law of this state, any
14 other state, or the United States,
15 b. any person who has been previously convicted of
16 violating any law of this state, any other state, the
17 United States, or
18 c. any other person, licensed or unlicensed, whose
19 conduct or reputation is such that his or her presence
20 at the race meeting may, in the opinion of the
21 Commission reflect on the honesty and integrity of
22 horse racing or interfere with the orderly conduct of
23 the race meeting. No person shall be excluded or
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1 ejected from a race meeting solely on the grounds of
2 race, color, creed, sex, national origin, or ancestry;

3 ~~13.~~ 14. Have investigatory powers and authority to place
4 attendants and such other persons as may be deemed necessary by the
5 Commission in the offices, on the tracks, or in places of business
6 of any organization licensee for the purpose of determining whether
7 an organization or occupation licensee is complying with the
8 provisions of the Oklahoma Horse Racing Act and the rules of the
9 Commission;

10 ~~14.~~ 15. Have authority to acquire or contract with, or
11 establish, maintain, and operate testing laboratories and related
12 facilities for the purpose of conducting:

- 13 a. human substance abuse testing on occupation licensees
14 who may affect the outcome of race results. Human
15 substance abuse tests and the laboratories performing
16 such tests must meet the nationally recognized
17 standards specified in the Mandatory Guidelines for
18 Federal Workplace Drug Testing Programs adopted by the
19 United States Department of Health and Human Services.
20 The Commission may require any occupation licensee to
21 submit to a human substance abuse test if the
22 Commission has probable cause to believe that such
23 licensee is possessing or using any controlled
24 dangerous substance or any other drug in violation of

1 any federal or state law. Provided, on and after July
2 1, 1994, such testing shall be in compliance with the
3 provisions of the Standards for Workplace Drug and
4 Alcohol Testing Act, and

5 b. a saliva test, a blood test, a urine test, or other
6 tests or combinations of tests on the horses run or to
7 be run in any race meeting. Prior to the Commission
8 entering into any contract pursuant to this paragraph,
9 the Attorney General shall review and approve the
10 contract. Any contract entered into pursuant to this
11 paragraph shall contain the specifications that were
12 in the request for bid for the contract;

13 ~~15.~~ 16. Approve of all proposed construction on property owned
14 or leased by an organization licensee;

15 ~~16.~~ 17. Have authority to require that all financial,
16 employment, or other records of an organization licensee shall be
17 kept in such manner as prescribed by the Commission and shall be
18 subject to inspection by the Commission. The organization licensee
19 shall submit to the Commission an annual balance sheet, profit-and-
20 loss statement, and any other information the Commission deems
21 necessary in order to administer the provisions of the Oklahoma
22 Horse Racing Act;

23 ~~17.~~ 18. Have the authority to suspend or revoke a license or
24 impose fines in amounts not to exceed Ten Thousand Dollars

1 (\$10,000.00) against individuals for each violation and in amounts
2 not to exceed Twenty Thousand Dollars (\$20,000.00) against
3 organization licensees for each violation of any provision of the
4 Oklahoma Horse Racing Act, any rules adopted by the Commission, or
5 any order of the Commission, or for any other action which, in the
6 discretion of the Commission, is a detriment or impediment to horse
7 racing or both such suspension or revocation and fine. Each day
8 upon which such violation or other action by the organization
9 licensee occurs shall constitute a separate offense;

10 ~~18.~~ 19. Have authority to suspend a horse from participating in
11 races if the horse has been involved in any violation of the rules
12 promulgated by the Commission or the provisions of the Oklahoma
13 Horse Racing Act; and

14 ~~19.~~ 20. Prepare and submit an annual report to the Governor,
15 the Speaker of the House of Representatives, and the President Pro
16 Tempore of the Senate. The report shall include an account of the
17 operations, actions, and orders of the Commission, and an accounting
18 of all revenue received by the Commission.

19 B. 1. The Commission may delegate to stewards or the Executive
20 Director, those of its powers and duties as it deems necessary to
21 fully implement and effectuate the purposes of the Oklahoma Horse
22 Racing Act.

23 2. The Commission, upon appeal or due consideration, may
24 overrule any decision of a steward except decisions regarding

1 disqualifications for interference during the running of a race if a
2 preponderance of evidence indicates:

- 3 a. the stewards mistakenly interpreted the law,
- 4 b. new evidence of a convincing nature is produced, or
- 5 c. the best interests of racing and the state may be
6 better served.

7 3. Any decision pertaining to the finish of a race, as used for
8 purposes of pari-mutuel pool distribution to winning ticket holders,
9 may not be overruled. Any decision pertaining to the distribution
10 of purses may be changed only if a claim is made in writing to the
11 Commission by one of the involved owners or trainers, and a
12 preponderance of evidence clearly indicates to the Commission that
13 one or more of the grounds for protest, as provided for in the rules
14 prepared by the Commission, has been substantiated.

15 SECTION 3. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 205.9 of Title 3A, unless there
17 is created a duplication in numbering, reads as follows:

18 Any advance deposit wagering provider that accepts funds from an
19 Internet Protocol address within the State of Oklahoma, pursuant to
20 the Interstate Horseracing Act of 1978, found in Section 3001 et
21 seq. of Title 15 of the United States Code, must obtain an advance
22 deposit wagering license from the Oklahoma Horse Racing Commission.
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SECTION 4. This act shall become effective November 1, 2022.

COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY - CIVIL, dated
03/01/2022 - DO PASS.