

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 HOUSE BILL 1395

By: Luttrell of the House

5 and

6 **Coleman** of the Senate

7  
8  
9 AS INTRODUCED

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

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

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

21 Section 203.1 A. A member of the Oklahoma Horse Racing  
22 Commission shall not accept any gift, loan, entertainment or favor  
23 from any occupation or organization licensee, except such suitable  
24 facilities and services within the enclosure of an organization  
licensee as may be required by the member to facilitate the proper

1 performance of his or her duties. A member of the Oklahoma Horse  
2 Racing Commission, other than a member required by the provisions of  
3 Section 201 of this title to be experienced in the horse industry,  
4 shall not accept any compensation or service from any occupation or  
5 organization licensee, except such suitable facilities and services  
6 within the enclosure of an organization licensee as may be required  
7 by the member to facilitate the proper performance of his or her  
8 duties.

9 B. No member of the Commission or Commission employee shall  
10 place any wagers on any horse race over which the Commission has  
11 jurisdiction.

12 C. ~~Members of the Commission and members of their immediate~~  
13 ~~families,~~ and Commission employees and members of their immediate  
14 families are prohibited from receiving purse supplements, stakes,  
15 rewards, stallion awards, broodmare awards, or breeders awards of  
16 any kind, or marketing, promotion, or advertising monies of any kind  
17 from the Oklahoma Breeding Development Fund Special Account  
18 administered by the Commission pursuant to Section 208.3 of this  
19 title. "Immediate family" has the meaning provided by Rule 257:1-1-  
20 2 of the Rules of the Ethics Commission, Chapter 62, App. of Title  
21 74 of the Oklahoma Statutes.

22 D. Nothing in this section shall prohibit members of the  
23 Commission, who are required by the provisions of Section 201 of  
24

1 this title to be experienced in the horse industry, from receiving  
2 purses for participating horses from an organization licensee.

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

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

20 Section 205.2 A. Applications for organization licenses must  
21 be filed with the Commission at a time and place prescribed by the  
22 rules and regulations of the Commission. Beginning with  
23 organization license applications for the 1994 calendar year, the  
24 Commission shall develop and use separate application forms for

1 applicants requesting an organization license to conduct horse  
2 racing with the pari-mutuel system of wagering and applicants  
3 requesting an organization license to conduct horse racing without  
4 the pari-mutuel system of wagering. For use for the 1993 calendar  
5 year organization licenses, an applicant requesting to conduct horse  
6 racing without the pari-mutuel system of wagering shall make  
7 application with the Commission on American Quarter Horse  
8 Association application forms. Applications for an organization  
9 license to conduct horse racing without the pari-mutuel system of  
10 wagering for the 1993 calendar year shall be filed with the  
11 Commission on or before the 1st day of August, 1992. Each applicant  
12 requesting an organization license to conduct horse racing with the  
13 pari-mutuel system of wagering shall include with each application a  
14 nonrefundable license fee equal to the sum of Five Thousand Dollars  
15 (\$5,000.00) for each race meeting and Two Hundred Dollars (\$200.00)  
16 for each racing day requested. Provided, the fee for Five Thousand  
17 Dollars (\$5,000.00) shall be waived for applicants applying pursuant  
18 to the provisions of Section 208.2 of this title. Each applicant  
19 requesting an organization license to conduct horse racing without  
20 the pari-mutuel system of wagering or to conduct accredited work or  
21 training races shall include with each application a nonrefundable  
22 license fee of Five Hundred Dollars (\$500.00) for each race meeting.  
23 Such fee shall be in the form of a certified check or bank draft  
24 payable to the order of the Commission. Within thirty (30) days

1 after the date specified for filing, the Commission shall examine  
2 the applications for compliance with the provisions of the Oklahoma  
3 Horse Racing Act and such rules and regulations as may be  
4 promulgated by the Commission. If any application does not comply  
5 with the provisions of the Oklahoma Horse Racing Act or the rules  
6 and regulations promulgated by the Commission, the application may  
7 be rejected or the Commission may direct the applicant to comply  
8 with the provisions of the Oklahoma Horse Racing Act or the rules  
9 and regulations of the Commission within a reasonable time as  
10 determined by the Commission. Upon proof by the applicant of  
11 compliance, the Commission may reconsider the application. If it is  
12 found to be in compliance with the provisions of the Oklahoma Horse  
13 Racing Act and the rules and regulations of the Commission, the  
14 Commission may then issue an organization license to the applicant.

15 B. The Commission may exercise discretion in the issuing of  
16 organization licenses to qualified applicants. The Commission may  
17 also determine and grant racing dates different from those requested  
18 by the applicants in their applications.

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

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

3 a. directly or indirectly controls such applicant, or

4 b. is directly or indirectly controlled by such applicant  
5 or by a person who directly or indirectly controls  
6 such applicant; and

7 2. The facilities and accommodations of the applicant for the  
8 conduct of race meetings; and

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

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

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

1 winning tickets, the organization licensee will distribute all sums  
2 due to the patrons of pari-mutuel pools. The financial liabilities  
3 incurred by the organization licensee in the form of real estate  
4 mortgages shall not be included in the determination of the bond  
5 amount.

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

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

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

22 H. All horse racing conducted pursuant to the provisions of an  
23 organization license is subject to the provisions of the Oklahoma  
24 Horse Racing Act and of the rules, regulations and directives

1 promulgated by the Commission, and every organization license issued  
2 by the Commission shall contain a statement to that effect.

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

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

- 18 1. Violates any provision of the Oklahoma Horse Racing Act; ~~or~~
  - 19 2. Violates any provision of the rules and regulations  
20 promulgated pursuant to the provisions of the Oklahoma Horse Racing  
21 Act; ~~or~~
  - 22 3. Has been convicted of a felony; ~~or~~
- 23  
24



1 4. Has been convicted of violating any law regarding gambling  
2 or controlled dangerous substances of the United States, this state,  
3 or any other state; ~~or~~

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

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

8 Any organization license revocation proceeding shall be  
9 conducted pursuant to the provisions of Sections 302 through 323 of  
10 Title 75 of the Oklahoma Statutes.

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

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

18 SECTION 3. REPEALER 3A O.S. 2021, Section 202, is hereby  
19 repealed.

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

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22 COMMITTEE REPORT BY: COMMITTEE ON RURAL DEVELOPMENT, dated  
23 02/20/2023 - DO PASS, As Coauthored.

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