An Act

ENROLLED SENATE
BILL NO. 820

By: Nichols of the Senate

and

Terrill of the House

An Act relating to amusements and sports; amending 3A O.S. 2001, Section 208.3, as last amended by Section 3, Chapter 274, O.S.L. 2006 (3A O.S. Supp. 2009, Section 208.3), which relates to the Oklahoma Breeding Development Fund Special Account; increasing amount that may be spent on administration; expanding permissible spending purposes to include funding of entities caring for certain animals; providing for establishment of eligibility criteria; and providing an effective date.

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

SECTION 1. AMENDATORY 3A O.S. 2001, Section 208.3, as last amended by Section 3, Chapter 274, O.S.L. 2006 (3A O.S. Supp. 2009, Section 208.3), is amended to read as follows:

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

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

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

1. To provide purse supplements to owners of Oklahoma-bred horses;

2. To provide stakes and rewards to be paid to the owners of the winning Oklahoma-bred horses in certain horse races;

3. To provide stallion awards to the owner of the Oklahoma stallion which is the sire of an Oklahoma-bred horse if such a horse wins any race conducted at a race meeting;

4. To provide breeders awards to the owner of the Oklahoma-registered mare which is the dam of an Oklahoma-bred horse if such a horse wins any race conducted at a race meeting;

5. To provide monies for equine research through state institutions accredited for the same;

6. To provide monies for use in marketing, promoting and advertising the Oklahoma-Bred Program and the Oklahoma horse racing industry to the people of Oklahoma, the United States and abroad; ~~and~~

7. To provide for the administration of the Oklahoma Breeding Development Program. The Oklahoma Horse Racing Commission is hereby authorized to utilize up to ~~ten percent (10%)~~ fifteen percent (15%) of the prior year's receipts for administration. All expenses reimbursed as administrative pursuant to this subsection shall be itemized and audited pursuant to subsection E of this section. Any monies transferred from the Oklahoma Breeding Development Fund Special Account to the Oklahoma Breeding Development Revolving Fund for administrative reimbursement found to be unsubstantiated, excessive or ineligible for reimbursement by ~~said~~ the audit shall be returned to the Oklahoma Breeding Development Fund Special Account within thirty (30) days of the conclusion of the audit; and

8. To provide, upon the request of an official horsemen's representative organization for a breed, funding to any nonprofit entity that is based in Oklahoma and exempt from taxation pursuant to the provisions of the United States Internal Revenue Code, 26 U.S.C. Section 501(c), for the purpose of providing care of retired and unwanted Oklahoma-bred racing stock of the particular breed of horse represented by the requesting organization.

C. By rule the Commission shall:

1. Define the term Oklahoma-bred horse;

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

3. Provide for the registration of Oklahoma-domiciled mares and stallions and Oklahoma-bred horses. No such horse shall compete in the races limited to Oklahoma-bred horses unless registered with the Commission. The Commission may prescribe such forms as are necessary to determine the eligibility of such horses; provided, breeding stallions shall be eligible for registration in the

Oklahoma-bred breeding program until July 1 of the breeding year. No person shall knowingly prepare or cause preparation of an application for registration of such foals which contains false information;

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

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

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

D. The Commission may contract with and designate an official registering agency to implement the registration of horses and the payment of awards from the Oklahoma Breeding Development Fund Special Account. The official registering agency shall operate under the supervision of the Commission and be subject to the rules and regulations of the Commission. The official registering agency shall receive no compensation except fees received for registration of horses. In the event the Commission elects to perform as the official registering agency rather than contracting for such services, the Commission shall deposit all registration fees from the registration of Oklahoma-bred horses into the Oklahoma Breeding Development Fund Special Account.

E. The State Auditor and Inspector shall audit the Oklahoma Breeding Development Fund Special Account on an annual basis. The expense of the audit shall be paid from ~~said~~ the Oklahoma Breeding Development Fund Special Account.

SECTION 2. This act shall become effective November 1, 2010.

Passed the Senate the 4th day of May, 2010.

Presiding Officer of the Senate

Passed the House of Representatives the 21st day of April, 2010.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Governor this 5th

day of May, **20** 10,

at 1:37 **o'clock** P **M.**

By:

Approved by the Governor of the State of Oklahoma the 10th **day of**

May, **20** 10, **at** 6:19 **o'clock** P **M.**

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this

11th **day of** May, **20** 10,

at 11:52 **o'clock** A. **M.**

By: M. Susan Savage