

# An Act

ENROLLED SENATE  
BILL NO. 292

BY: HOWARD, MEDEARIS, DAHL and  
BRECKINRIDGE of the SENATE

and

BOETTCHER of the HOUSE

AN ACT DIRECTING THE SECRETARY OF STATE TO REFER TO THE PEOPLE FOR THEIR APPROVAL OR REJECTION A PROPOSED ACT RELATING TO AUTHORIZATION TO FAIR BOARDS OR ASSOCIATIONS AND AGRICULTURAL EXPOSITIONS TO PERMIT HORSE RACING MEETS AND OPERATION OF PARI-MUTUEL SYSTEM OF WAGERING OR BETTING ON SUCH RACING IN ANY COUNTY APPROVING SUCH RACING BY SPECIAL ELECTION; PROVIDING FOR THE DISTRIBUTION OF THE PROCEEDS THEREFROM; DEFINING CERTAIN TERMS; CREATING THE OKLAHOMA HORSE RACING COMMISSION AND PROVIDING FOR MEMBERS THEREOF; AUTHORIZING THE EMPLOYMENT OF VARIOUS PERSONNEL OF THE COMMISSION; PRESCRIBING THE POWERS OF SUCH COMMISSION TO PROMULGATE RULES, REGULATIONS AND CONDITIONS UNDER WHICH RACING MEETS AND PARI-MUTUEL WAGERING OR BETTING MAY BE CONDUCTED BY FAIR BOARDS OR ASSOCIATIONS AND AGRICULTURAL EXPOSITIONS; PROVIDING FOR THE DISTRIBUTION OF CERTAIN PREMIUMS TO OKLAHOMA-BRED HORSES; REPEALING CONFLICTING LAWS; PROVIDING FOR SEVERABILITY; PROVIDING A BALLOT TITLE; AND ORDERING A SPECIAL ELECTION.

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

SECTION 1. The Secretary of State shall refer to the people for their approval or rejection, as and in the manner provided by law, the following proposed statute:

SECTION 2. As used in this act:

1. "Commission" means the Oklahoma Horse Racing Commission, hereinafter created.

2. "Fair Board" means the Board of Directors or other governing body of any fair association, agricultural fair corporation or exposition, either state, regional or local, which has been authorized under the laws of the State of Oklahoma.

3. "Oklahoma-bred horse" means a foal dropped in Oklahoma from a mare bred in Oklahoma and which, from time of breeding until the time the foal was weaned, was not removed from the state.

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4. "Person" means individuals, firms, corporations and associations.

5. "Race horse" means a horse that is registered with a national registry that is recognized by the Commission.

6. "Racing meet" means a race where a race horse is mounted by a jockey, commonly known as flat horse racing, and where any form of pari-mutuel betting or wagering is used.

7. "Pari-mutuel betting" means a system of betting in which those who bet on the winners of the first three (3) places share the total stake minus a percentage which is deducted as provided for in this act.

SECTION 3. Any fair board in this state may sponsor or conduct horse racing meets under such rules, regulations and conditions as the Commission may prescribe. Such racing meets may be conducted during the periods of time as authorized by the Commission. Nothing in this act shall prevent the racing of horses on nonpari-mutuel tracks.

SECTION 4. Upon the filing of a petition with the county election board containing the signatures of not less than ten percent (10%) of the qualified voters within any such county, the county election board shall call a special election at which the qualified voters of the county may decide if the provisions of this act shall apply in such county. If a majority of those voting at such election cast their vote for accepting the provisions of this act, then and only then shall the provisions of this act apply to such county holding the election.

SECTION 5. There is hereby created the Oklahoma Horse Racing Commission to consist of seven (7) Commissioners, one (1) of whom shall be the Chairman and all of whom are and shall have been residents of the State of Oklahoma for at least five (5) years next preceding their respective appointments. At least three (3) of the members of the Commission shall be knowledgable, experienced owners or breeders of race horses. The members of the Commission shall be

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appointed by the Governor by and with the consent of the Senate and the Governor shall designate which of such Commissioners shall be the Chairman. One of the Commissioners shall serve for a term of seven (7) years, one for a term of six (6) years, one for a term of five (5) years, one for a term of four (4) years, one for a term of three (3) years, one for a term of two (2) years, and one for a term of one (1) year. Upon expiration of the term of any member of the Commission, the Governor shall appoint a successor for a term of seven (7) years. Each member shall hold office until his successor is appointed and qualified. Any member may be removed for cause, as is provided by law for the removal of an officer who is not subject to impeachment.

SECTION 6. The Commission shall have full power to prescribe and promulgate rules, regulations and conditions, not inconsistent with this act, under which all racing meets, and the sale of pari-mutuel pools, shall be conducted by any fair board in this state. Rules and regulations so prescribed and promulgated shall have the force of law, and shall be printed by the Commission and furnished in reasonable numbers to anyone who may request them. Only a fair board shall have the right and option to conduct racing meets and the sale of pari-mutuel pools and the Commission is expressly prohibited from authorizing any person, other than a fair board, to conduct racing meets or the sale of pari-mutuel pools. The members of the Commission are further prohibited from engaging in the direct or indirect selling of any goods or services to race tracks or any persons or governmental entities covered in the terms of this act.

SECTION 7. Unless contrary to the express provisions of this act, the terms and provisions of the Administrative Procedures Act, Sections 301 through 327, Title 75, Oklahoma Statutes, shall apply to all proceedings and functions of the Commission, and the Commission shall be deemed an "agency" as defined in that act.

SECTION 8. A majority of four (4) members of the Commission shall constitute a quorum for the exercise of any of its powers and

the performance of any of its duties, and decisions of the Commission shall be by majority vote of its members present. The Commission shall hold meetings at such times and places within this state as shall be necessary and convenient for the performance of its duties and as the Commission shall determine.

SECTION 9. The members of the Commission shall receive compensation at the rate of Twenty-five Dollars (\$25.00) per day for each day of attendance at meetings of the Commission, and reimbursement for their travel expenses as provided for other state officials and employees under the State Travel Reimbursement Act.

SECTION 10. The Commission shall appoint and employ a secretary, and such other clerical, accounting, auditing and other assistants as shall be necessary to discharge the duties of the Commission. No person shall be eligible for appointment or be appointed or hold the position of secretary under the Commission who has any interest or profits in any manner from horse racing or betting, except for his salary from the State of Oklahoma. Provided further, the secretary shall serve at the pleasure of the Commission and shall be exempt from the provisions of the Oklahoma Merit System of Personnel Administration Act. The secretary shall receive a salary not to exceed Twenty-five Thousand Dollars (\$25,000.00) per year, payable monthly. The Commission shall maintain an office in or near the state capitol and shall keep records of all its meetings and all its business transactions which shall be open for public inspection at all reasonable times.

SECTION 11. The sale of pari-mutuel pools at racing meets authorized by this act shall be lawful in this state if conducted in the manner and subject to the conditions and supervision provided by this act, and if conducted under the rules, regulations and conditions prescribed by the Commission, notwithstanding the provisions of any other law prohibiting or restricting pool selling or gambling. The sale of such pari-mutuel pools as is authorized by this act shall be conducted only within the grounds or enclosure of

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a race track and only on such dates when racing shall have been authorized by the Commission. No minor child shall be permitted to be in the general vicinity of the betting windows or permitted to wager under the provisions of this act.

A fair board may contract with any person, firm, corporation or association for the performance of the functions necessary to conduct racing meets and a pari-mutuel system of wagering or betting, subject to the rules, regulations and conditions prescribed by the Commission.

Persons entitled to the proceeds of mutuel tickets shall be paid such proceeds immediately upon the determination of the proportionate share of the total pool to which holders of such tickets are entitled, or as soon thereafter as such proceeds can be reasonably determined and distributed. Unclaimed proceeds of such tickets shall be retained and shall be redeemable by the holders of such tickets only within a period of ninety (90) days, to be redeemable by the holders at such times and at such places as the Commission may by rule and regulation prescribe. Proceeds remaining unclaimed after ninety (90) days shall be paid over and delivered to the Commission and shall become the property of the State of Oklahoma, to be deposited with the State Treasurer to the credit of the General Revenue Fund.

SECTION 12. The participating fair board, or the entity with which it may have contracted to conduct the pari-mutuel betting operation, shall become a custodian of a depository for such sums as may be deposited by patrons as participants in a pari-mutuel pool, and such fair board or contracting entity shall distribute all sums in any such pari-mutuel pool to the persons entitled to share therein as evidenced by a mutuel ticket issued to such persons. The sums so distributed shall be in the total of such pool, less eighteen percent (18%) of such total, and less breakage as defined in this section. Breakage is defined as the odd cents over and above the nearest even multiple of ten cents (\$0.10) of the net proceeds returned for each dollar deposited in any pari-mutuel pool.

The eighteen percent (18%) of the total amount of the pari-

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mutuel pool which was retained shall be distributed or retained by the fair board as follows: The fair board shall first pay over and deliver to the Commission, which in turn shall pay over and deliver to the Treasurer of the State of Oklahoma, such sums or amounts as may be levied as taxes by the Legislature of the State of Oklahoma on such pari-mutuel betting operations; of the balance of said eighteen percent (18%) remaining, the fair board shall retain one-half (1/2) thereof and the other one-half (1/2) thereof shall be distributed by the fair board in purses to the horsemen participating in said racing meet.

SECTION 13. To encourage the breeding of race horses in the State of Oklahoma, the breakage, as hereinabove defined, retained by the fair board shall be paid out and distributed by the fair board in the form of purses to Oklahoma-bred horses participating in such racing meets, under such rules and regulations as may be prescribed by the Commission. The Commission shall provide for the registration of all Oklahoma-bred horses and no horse shall be allowed to compete as an Oklahoma-bred horse unless said horse is so registered.

SECTION 14. Except for unclaimed proceeds of mutuel tickets, for which provision is made above, all monies shall be paid to the Treasurer of the State of Oklahoma by the Commission pursuant to this act and shall be applied as follows: Twenty-five percent (25%) thereof shall be placed by the Treasurer in a special fund designated Oklahoma Horse Racing Commission Fund. The payment of all the salaries and other expenses of operation of the Commission, of whatsoever kind or nature, which may have been incurred in connection with the carrying out of the provisions of this act shall be made from the Oklahoma Horse Racing Commission Fund under appropriations provided by statute. Any unappropriated balance in the Oklahoma Horse Racing Commission Fund at the end of each fiscal year shall be transferred to the State General Revenue Fund. The remaining seventy-five percent (75%) thereof shall be deposited by the Treasurer currently to the credit of the General Revenue Fund of the state for the support of state

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government, to be paid out only pursuant to appropriation by the Legislature. In order to provide necessary initial funds for the operation of the Commission, the State Emergency Fund Board is hereby authorized and directed to advance to the Commission the sum of Fifty Thousand Dollars (\$50,000.00) from the State Emergency Fund, said fund to be reimbursed from the first monies accruing to the credit of the Oklahoma Horse Racing Commission Fund.

SECTION 15. After January 1 of each year and prior to January 15, the Commission shall submit an annual report of its operations to the Governor, the President Pro Tempore of the State Senate, and to the Speaker of the House of Representatives.

SECTION 16. No fee, tax, license or other emolument shall be assessed or exacted by any county, city, town or village for the use of any race track or in connection with the events conducted thereon under the provisions of this act, provided that nothing in this act shall be construed to prevent such county, city, town or village from assessing and collecting taxes upon the real and personal property used by or in connection with such race track.

SECTION 17. The Oklahoma Horse Racing Commission is hereby directed to adopt the uniform rules and regulations as recommended by the National Association of Racing Commissioners.

SECTION 18. All laws or parts of laws in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 19. The provisions of this act are severable and if any part or provision hereof shall be held void the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this act.

SECTION 20. The Ballot Title for the proposed statute shall be in the following form:

BALLOT TITLE

Legislative Referendum No. \_\_\_\_\_ State Question No. \_\_\_\_\_

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

Shall a statute to provide authorization to fair boards

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or associations and agricultural expositions to permit horse racing meets and operation of pari-mutuel system of wagering or betting on such racing in any county approving such racing by special election; providing for the distribution of the proceeds therefrom; defining certain terms; creating the Oklahoma Horse Racing Commission and providing for members thereof; authorizing the employment of various personnel of the Commission; prescribing the powers of such Commission to promulgate rules, regulations and conditions under which racing meets and pari-mutuel wagering or betting may be conducted by fair boards or associations and agricultural expositions; providing for the distribution of certain premiums to Oklahoma-bred horses; repealing conflicting laws; and providing for severability

be adopted and approved by the people?

YES

SHALL THE ACT BE ADOPTED?

NO

SECTION 21. The President Pro Tempore of the Senate shall, immediately after the passage of this act, prepare and file one copy thereof, including the above Ballot Title set forth in SECTION 20 hereof, with the Secretary of State and one copy with the Attorney General.

SECTION 22. A special election is hereby ordered to be held throughout the State of Oklahoma on the date of the next statewide primary election, at which time the proposed statute, as set forth herein, shall be submitted to the people of Oklahoma for their approval or rejection as and in the manner provided by law.

Correctly Enrolled:

J. L. R. McLean

Passed the Senate the 8th day of May, 1973.

Acting President *Michael Brown* of the Senate

Passed the House of Representatives the 1st day of May, 1973.

Speaker *Wm. P. Willis* of the House of Representatives

OFFICE OF THE GOVERNOR

Received by the Governor this 9<sup>th</sup>  
day of May, 1973,  
at 3:15, o'clock P. M.

By: *John Lamb*

Approved by the Governor of the State of Oklahoma the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this 19<sup>th</sup>  
day of May, 1973,  
at 4:00 o'clock P. M.

By: *John Logans*

Chairman, COMMITTEE ON ENGROSSED AND ENROLLED BILLS

Correctly Enrolled: *John R. McLean*

STATE  
OF  
OKLAHOMA  
**THE ATTORNEY GENERAL**  
**LARRY DERRYBERRY**

STATE CAPITOL, OKLAHOMA CITY, OKLAHOMA 73105, TELEPHONE 405/521-3921



May 18, 1973

AMENDED LETTER

The Honorable John Rogers  
Secretary of State  
State Capitol Building  
Oklahoma City, Oklahoma 73105

Dear Mr. Rogers:

You are hereby notified that pursuant to the discretion and duty lodged in and imposed upon the Attorney General by 34 O.S. 1971, §9, he has examined the proposed Ballot Title for Enrolled Senate Bill No. 292, passed by the First Regular Session of the Thirty-fourth Oklahoma Legislature, and from said examination finds that the submitted Ballot Title contained therein is not in legal form and harmony with the law and does not accurately reflect the gist of said proposal. Therefore, pursuant to the provisions of 34 O.S. 1971, §9, we submit the following amended Ballot Title which reads, as follows:

BALLOT TITLE

Legislative Referendum No. 201                      State Question No. 498

THE GIST OF THE PROPOSITION IS AS FOLLOWS:

Shall a statute be adopted:

Authorizing fair boards to conduct racing meets;  
authorizing pari-mutuel wagering pools; providing  
for county option elections upon filing of quali-  
fication petition; creating and providing for  
composition of Oklahoma Horse Racing Commission;  
granting rule-making authority to Commission;  
designating eighteen per cent (18%) of total

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receipts from wagering pools be taxed according to legislative direction, the non-taxed balance of such percentage apportioned, one-half (1/2) retained by fair board, one-half (1/2) to participating horsemen; allowing premiums to Oklahoma-bred horses; authorizing employment of Commission personnel; creating Oklahoma Horse Racing Commission Fund; directing Fifty Thousand Dollars (\$50,000.00) State Emergency Fund be credited to Commission for implementation; repealing conflicting laws,

be approved by the people?

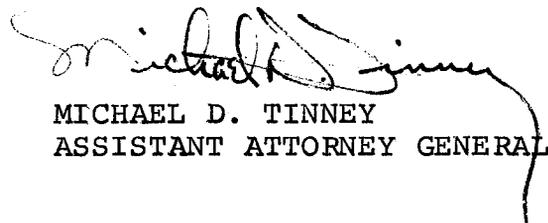
NO

SHALL THE PROPOSED ENACTMENT BE APPROVED?

YES

Yours very truly,

LARRY DERRYBERRY  
ATTORNEY GENERAL

  
MICHAEL D. TINNEY  
ASSISTANT ATTORNEY GENERAL

MDT:mjw