

OKLAHOMA STATUTES
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§3A-200. Short title.

Sections 1 through 35 of this act and Section 209 of Title 3A of the Oklahoma Statutes shall be known and may be cited as the "Oklahoma Horse Racing Act".

Added by Laws 1983, c. 11, § 1, emerg. eff. March 22, 1983.

§3A-200.1. Definitions.

A. As used in the Oklahoma Horse Racing Act:

1. "Commission" means the Oklahoma Horse Racing Commission;
2. "Enclosure" means all buildings, structures and grounds utilized for the conduct of a race meeting and/or gaming at the race track and any additional areas designated by the Oklahoma Horse Racing Commission;
3. "Family" means husband, wife, and any dependent children;
4. "Financial interest" means an interest that could result in directly or indirectly receiving a pecuniary gain or sustaining a pecuniary loss as a result of ownership or interest in a business entity, or as a result of salary, gratuity, or other compensation or remuneration from any person;
5. "Horse racing" means any type of horse racing, including, but not limited to, Arabian, Appaloosa, Paint, Pinto, Quarter Horse, and Thoroughbred horse racing.
 - a. "Arabian horse racing" means the form of horse racing in which each participating horse is an Arabian horse registered with the Arabian Horse Club Registry of America and approved by the Arabian Horse Racing Association of America or any successor organization, mounted by a jockey, and engaged in races on the flat over a distance of not less than one-quarter (1/4) mile or more than four (4) miles.
 - b. "Appaloosa horse racing" means the form of horse racing in which each participating horse is an Appaloosa horse registered with the Appaloosa Horse Club or any successor organization and mounted by a jockey.
 - c. "Quarter Horse racing" means the form of horse racing where each participating horse is a Quarter Horse registered with the American Quarter Horse Association or any successor organization, mounted by a jockey, and engaged in a race on the flat.
 - d. "Paint horse racing" means the form of horse racing in which each participating horse is a Paint horse registered with the American Paint Horse Association or any successor organization and mounted by a jockey.
 - e. "Pinto horse racing" means the form of horse racing in which each participating horse is a Pinto horse registered with the Pinto Horse Association of America, Inc. or any successor organization and mounted by a jockey.

- f. "Thoroughbred horse racing" means the form of horse racing in which each participating horse is a Thoroughbred horse registered with the Jockey Club or any successor organization, mounted by a jockey, and engaged in races on the flat.

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

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

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

8. "Occupation licensee" means any person who has obtained an occupation license;

9. "Organization licensee" means any person receiving an organization license;

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

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

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

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

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

Added by Laws 1983, c. 11, § 2, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 196, § 1, emerg. eff. June 26, 1985; Laws 1986, c. 223, § 10, operative July 1, 1986; Laws 1987, c. 208, § 69, operative July 1, 1987; Laws 1987, c. 236, § 88, emerg. eff. July 20, 1987; Laws 1988, c. 210, § 5, operative July 1, 1988; Laws 1991, c. 269, §

6, eff. July 1, 1991; Laws 1992, c. 364, § 14, eff. July 1, 1992; Laws 2004, c. 517, § 1, emerg. eff. June 9, 2004; Laws 2006, c. 274, § 1, emerg. eff. June 7, 2006; Laws 2007, c. 1, § 1, emerg. eff. Feb. 22, 2007; Laws 2009, c. 49, § 1, eff. Nov. 1, 2009.

NOTE: Laws 2006, c. 177, § 1 repealed by Laws 2007, c. 1, § 2, emerg. eff. Feb. 22, 2007.

§3A-201. Oklahoma Horse Racing Commission - Creation - Membership - Appointment - Term - Removal - Vacancies.

A. There is hereby created the Oklahoma Horse Racing Commission, which shall consist of nine (9) members appointed by the Governor with the advice and consent of the Senate. At least one member shall be appointed from each congressional district, and at least three of the remaining members shall be experienced in the horse industry and shall be appointed from the state at large. However, when congressional districts are redrawn each member appointed prior to July 1 of the year in which such modification becomes effective shall complete the current term of office, and appointments made after July 1 of the year in which such modification becomes effective shall be based on the redrawn districts. Appointments made after July 1 of the year in which such modification becomes effective shall be from any redrawn districts which are not represented by a board member until such time as each of the modified congressional districts is represented by a board member.

B. To be eligible for appointment to the Commission, a person shall:

1. Be a citizen of the United States;

2. Have been a resident of this state for five (5) years immediately preceding the appointment; and

3. Not have been convicted of a felony pursuant to the laws of this state, the laws of any other state, or the laws of the United States as established by a national criminal history record check as defined by Section 150.9 of Title 74 of the Oklahoma Statutes.

C. The term of office of a member of the Commission shall be for six (6) years and until a successor is appointed and qualified.

D. The Governor may remove any member of the Commission for incompetence, neglect of duty, or malfeasance in office upon first giving the member a copy of the charges and an opportunity to be heard. A vacancy on the Commission shall be filled for the unexpired term by appointment made by the Governor.

Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 3, emerg. eff. March 22, 1983; Laws 1992, c. 364, § 3, emerg. eff. June 4, 1992; Laws 2002, c. 375, § 2, eff. Nov. 5, 2002; Laws 2003, c. 204, § 1, eff. Nov. 1, 2003; Laws 2005, c. 217, § 1, emerg. eff. May 24, 2005; Laws 2006, c. 177, § 2, emerg. eff. May 23, 2006.

§3A-202. Conflicts of interest.

No individual shall be a member of the Commission if the individual or a member of the family of the individual has a financial interest in any organization licensee and no individual other than an individual required by the provisions of Section 201 of this title to be experienced in the horse industry shall be a member of the Commission if the individual or a member of the family of the individual has a financial interest in any business entity which does business with any organization licensee or owns an interest in any racehorse which participates in any race meeting supervised by the Commission.

Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 4, emerg. eff. March 22, 1983; Laws 2005, c. 217, § 2, emerg. eff. May 24, 2005.

§3A-203. Meetings - Officers - Quorum - Legal proceedings or actions - Compensation.

A. The Commission shall meet at such times and places within this state as the Commission determines. The members of the Commission shall annually elect a chairman, vice-chairman, and secretary from the membership of the Commission. No member of the Commission shall serve more than two (2) successive terms as chairman. A majority of the members shall constitute a quorum.

B. The proceedings of all meetings of the Commission shall comply with the provisions of the Oklahoma Open Meeting Act.

C. The Attorney General shall advise the Commission and represent it in all legal proceedings or actions resulting from the exercise of the powers and duties of the Commission pursuant to the provisions of the Oklahoma Horse Racing Act; however, nothing in this section shall be construed to prohibit the Commission from engaging private counsel if they deem it necessary to protect the integrity of horse racing in Oklahoma.

D. Each member of the Commission shall receive Fifty Dollars (\$50.00) for each day spent in the actual discharge of duties for the Commission. All members of the Commission shall be reimbursed for expenses incurred in the performance of their duties pursuant to the provisions of the State Travel Reimbursement Act.

Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 5, emerg. eff. March 22, 1983.

§3A-203.1. Commission member prohibited from performing certain activities.

A. A member of the Oklahoma Horse Racing Commission shall not accept any gift, loan, entertainment or favor from any occupation or organization licensee, except such suitable facilities and services

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

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

C. Members of the Commission and members of their immediate families, and Commission employees and members of their immediate families are prohibited from receiving purse supplements, stakes, rewards, stallion awards, broodmare awards, or breeders awards of any kind, or marketing, promotion, or advertising monies of any kind from the Oklahoma Breeding Development Fund Special Account administered by the Commission pursuant to Section 208.3 of this title.

"Immediate family" has the meaning provided by Rule 257:1-1-2 of the Rules of the Ethics Commission, Chapter 62, App. of Title 74 of the Oklahoma Statutes.

D. Nothing in this section shall prohibit members of the Commission, who are required by the provisions of Section 201 of this title to be experienced in the horse industry, from receiving purses for participating horses from an organization licensee.

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

Added by Laws 1983, c. 11, § 6, emerg. eff. March 22, 1983. Amended by Laws 1998, c. 370, § 1, eff. Nov. 1, 1998; Laws 2005, c. 217, § 3, emerg. eff. May 24, 2005.

§3A-203.2. Advisory councils and task forces.

The Commission is hereby authorized to appoint such advisory councils and task forces as it deems necessary for counsel and advice concerning the formulation and administration of the rules of racing and the administration of the programs authorized by the provisions of the Oklahoma Horse Racing Act.

Added by Laws 1983, c. 11, § 7, emerg. eff. March 22, 1983.

§3A-203.3. Executive director - Appointment - Qualifications - Duties and compensation - Equal opportunity plan - Law enforcement division - Surety bond.

A. The Oklahoma Horse Racing Commission shall appoint an executive director who shall have the same qualifications as a member of the Commission. The qualification regarding the residency requirement for Commission members shall not apply to the executive director. The executive director shall have experience in the horse racing industry of a character and for a length of time sufficient, in the opinion of the Commission, to fulfill the duties required of the executive director. The Commission shall determine the duties and compensation of the executive director.

B. The executive director shall recommend to the Commission the administrative organization and the number and qualifications of employees necessary without regard to race, color, gender, creed or national origin, to implement the provisions of the Oklahoma Horse Racing Act. A written equal opportunity plan will be developed for the Commission, by the executive director as part of the organizational plan. Upon approval of the organizational plan by the Commission, the executive director may employ such persons as are deemed necessary to implement the provisions of the Oklahoma Horse Racing Act.

C. 1. The organizational plan adopted by the Commission shall provide for a law enforcement division which shall have the responsibility for conducting investigations relating to the proper conduct of horse racing and the pari-mutuel system of wagering including but not limited to barring undesirables from horse racing, undercover investigations, fingerprinting persons licensed by the Commission, and reviewing license applications. The person in charge of the law enforcement division shall be a professional law enforcement officer with a minimum of five (5) years of experience in the field of law enforcement and a graduate of a four-year college with a degree in law enforcement administration, law, criminology or a related science, or in lieu thereof a minimum of ten (10) years of experience in the field of law enforcement.

2. The officers and agents of the law enforcement division of the Commission, and such other employees as the person in charge of said division shall designate to perform duties in the investigation and prevention of crime and the enforcement of the criminal laws of

the state, shall have and exercise all the powers and authority of peace officers, including the right and power of search and seizure.

3. The Oklahoma State Bureau of Investigation shall provide such information within its possession as is requested by the law enforcement division of the Commission for the purpose of reviewing license applications.

4. If upon investigation by the Commission there is substantial evidence indicating that the security at any track is not satisfactory, the Commission may order the organization licensee to remedy the deficiency. If after ten (10) days following the order the organization licensee has not remedied the deficiency, the Commission may institute its own security personnel program until the deficiency in security is remedied, and may charge the organization licensee the actual costs incurred for said security. The organization licensee may petition the Commission for a hearing at any time to review the necessity of the Commission further maintaining its own security personnel.

5. The provisions of this subsection shall not be construed to restrict or prohibit any federal, state, or local law enforcement officer from performing any duties imposed upon the law enforcement officer by law.

6. The executive director is authorized to purchase and maintain motor vehicles, to authorize the purchase and issuance of uniforms for all law enforcement officers within the law enforcement division of the Oklahoma Horse Racing Commission and to purchase and issue necessary equipment for all employees of the Commission. All uniforms and equipment shall be used only in the performance of the official duties of the law enforcement officers and other personnel of the Oklahoma Horse Racing Commission as designated by the executive director and shall remain the property of the Oklahoma Horse Racing Commission.

D. The executive director shall obtain a surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00) before entering into the duties of the office. The surety bond shall be conditioned upon the faithful performance of the duties of the executive director and the proper accounting of all moneys and property received by the executive director by virtue of the office. The cost of the surety bond shall be paid by the Commission.

Added by Laws 1983, c. 11, § 8, emerg. eff. March 22, 1983. Amended by Laws 2014, c. 380, § 1, eff. Nov. 1, 2014.

§3A-203.4. Stewards - Chief steward and assistant stewards - Other personnel - Compensation - Duties.

A. At each pari-mutuel race meeting held pursuant to the provisions of the Oklahoma Horse Racing Act the Oklahoma Horse Racing Commission shall employ three individuals to be stewards. At non-pari-mutuel race meetings and for training races, the organization

licensee may employ its own stewards in accordance with the rules of the American Quarter Horse Association or have the Commission employ the stewards as provided in this subsection. The Commission shall designate one of the individuals as chief steward and the other two individuals as assistant stewards. If employed by the Commission, the compensation of the stewards, including but not limited to salaries, benefits and other reimbursable expenses as determined by the Commission, shall be paid by the Commission.

B. All other racing personnel shall be employed for race meetings as the Commission deems necessary. All other racing personnel required by the Commission at non-pari-mutuel race meetings or training races may be employed by the organization licensee in accordance with the rules of the American Quarter Horse Association. The compensation of racing personnel employed by the Commission, including but not limited to salaries, benefits and reimbursable expenses, shall be paid by the Commission.

C. The stewards and other racing officials at pari-mutuel race meetings, at non-pari-mutuel race meetings and at training races shall enforce the rules and regulations of the Commission and the provisions of the Oklahoma Horse Racing Act in the manner provided by law and shall render written reports of the activities and conduct of the race meetings to the Commission. In enforcing the rules of the Commission and officiating at races, the stewards shall not be required to comply with provisions of the Oklahoma Open Meeting Act but shall be required to comply with applicable provisions of the Administrative Procedures Act.

Added by Laws 1983, c. 11, § 9, emerg. eff. March 22, 1983. Amended by Laws 1986, c. 223, § 11, operative July 1, 1986; Laws 1991, c. 269, § 7, eff. July 1, 1991; Laws 1992, c. 16, § 2, emerg. eff. March 26, 1992; Laws 1997, c. 305, § 1, eff. July 1, 1997; Laws 1998, c. 370, § 2, eff. Nov. 1, 1998; Laws 1999, c. 297, § 1, eff. July 1, 1999; Laws 2001, c. 145, § 1, eff. July 1, 2001.

§3A-203.5. Stewards - Examinations - Qualifications - Licenses.

A. The Commission shall require applicants for a license as a steward to pass an examination on matters relating to the duties of stewards. Examinations shall be held at such times and places as may be determined by the Commission. Notice of the times and places of the examinations shall be given as determined by the Commission. The Commission shall prepare both written and oral examinations to be taken by persons applying for qualification as stewards, requesting and taking into consideration suggestions from representatives of horsemen, organization licensees, stewards, and other interested and knowledgeable groups. The written examinations may be administered by members of the Commission staff. Oral examinations shall be conducted by an oral examination panel to include at least two Commission members.

B. The Commission may examine any person who:

1. has not been convicted of a crime involving moral turpitude or of a felony; and
2. has completed an accredited senior high school or its equivalent; and
3. has been given a physical examination by a licensed physician within sixty (60) days prior to the date of application for the steward's examination, indicating at least 20-20 vision or vision corrected to at least 20-20, and normal hearing ability; and
4. has one of the following:
 - a. at least five (5) years of experience in the pari-mutuel horse racing industry as a licensed trainer, or jockey.
 - b. at least ten (10) years of experience in the pari-mutuel horse racing industry as a licensed owner whose experience, knowledge, ability, and integrity relative to the industry are known to the Commission.
 - c. at least three (3) years of experience as a licensed racing official, racing secretary, assistant racing secretary, or director of racing.
 - d. experience in the horse racing industry of a character and for a length of time sufficient, in the opinion of the Commission, to be substantially equivalent to the requirements of subparagraphs a, b, or c of this paragraph.

5. A steward shall have the same restrictions and qualifications as a member of the Commission as listed in Section 202.

C. For the purpose of paragraph 4 of subsection B of this section, one (1) year of experience shall mean at least one hundred (100) days actually worked within one (1) calendar year. An original license for a steward issued pursuant to the provisions of the Oklahoma Horse Racing Act shall be issued for a period of the calendar year in which it is issued, and shall be renewable for a period not to exceed three (3) years, which the Commission may establish by regulation. The Commission may establish a license fee schedule consistent with the different periods for which such licenses may be granted. The license shall be valid at all race meetings in this state during the period for which it is issued, unless it is suspended or revoked prior to the expiration of such period.

Added by Laws 1983, c. 11, § 10, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 196, § 2, emerg. eff. June 26, 1985.

§3A-203.6. Subpoenas - Oaths and affirmations - False testimony.

A. The Commission, its executive director, or the stewards may issue subpoenas for the attendance of witnesses or the production of any records, books, memoranda, documents, or other papers or things,

to enable any of them to effectually discharge its or his duties, and may administer oaths or affirmations as necessary in connection therewith.

B. Any person subpoenaed who fails to appear at the time and place specified in answer to the subpoena and to bring any papers or things specified in the subpoena, or who upon such appearance, refuses to testify or produce such records or things, upon conviction, is guilty of a misdemeanor.

C. Any person who testifies falsely under oath in any proceeding before, or any investigation by, the Commission, its executive director, or the stewards, upon conviction, shall be guilty of a felony and shall be punished in the same manner prescribed for the punishment of perjury.

Added by Laws 1983, c. 11, § 11, emerg. eff. March 22, 1983. Amended by Laws 1990, c. 275, § 1, emerg. eff. May 25, 1990; Laws 1997, c. 133, § 111, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 44, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 111 from July 1, 1998, to July 1, 1999.

§3A-203.7. Purpose and intent of act - Rules and regulations.

In the interest of the public health, safety, and welfare, it is hereby declared to be the purpose and intent of the Oklahoma Horse Racing Act to vest in the Commission plenary power to promulgate rules and regulations for the forceful control of race meetings held in this state. The rules and regulations shall:

1. encourage agriculture and the breeding of horses in this state; and

2. maintain race meetings held in this state of the highest quality and free of any horse racing practices which are corrupt, incompetent, dishonest, or unprincipled; and

3. dissipate any cloud of association with the undesirable and maintain the appearance as well as the fact of complete honesty and integrity of horse racing in this state; and

4. generate public revenues.

Added by Laws 1983, c. 11, § 12, emerg. eff. March 22, 1983.

§3A-203.8. Non-pari-mutuel tracks - Time for payment of claims.

Any non-pari-mutuel track, coming within the provisions of this act, shall pay, within thirty (30) days, any claims submitted by the Oklahoma Horse Racing Commission, to reimburse the Commission for any verified expenses incurred in administering this act. If such claims are not paid within the thirty-day period, the Commission may take such action as specified in subsection J of Section 205.2 of Title 3A of the Oklahoma Statutes.

Added by Laws 1992, c. 16, § 1, emerg. eff. March 26, 1992.

§3A-204. Powers and duties of Commission.

A. The Oklahoma Horse Racing Commission shall:

1. Have supervision of:

- a. all race meetings held in this state; provided, for non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks jurisdiction of the Commission shall be limited to a period of time beginning twelve (12) hours before the commencement of the first race on a race day and ending four (4) hours after the finish of the last race on a race day,
- b. all occupation and organization licensees in this state, and
- c. all persons on the property of an organization licensee; provided, for non-pari-mutuel race meetings and training races held at non-pari-mutuel tracks supervision of such persons shall be limited to the period set out in subparagraph a of this paragraph;

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

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

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

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

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

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

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

9. Check the making of pari-mutuel pools and the distribution of such pools and shall:

- a. contract with the Office of the State Auditor and Inspector to conduct an annual audit and inspection of live race meets in this state, and
 - b. reimburse the Office of the State Auditor and Inspector for the cost of these services;
10. Promulgate rules governing:
 - a. bids on leases,
 - b. the rate charged by an organization licensee for admission to races, and
 - c. the rate charged for the performance of any service or for the sale of any article on the premises of an organization licensee;
11. Approve all contracts and agreements for the payment of money and all salaries, fees, and compensations by any organization licensee;
12. Have the authority to exclude, or compel the exclusion, from any race meeting:
 - a. any person who violates the provisions of any rule or order of the Commission or any law of this state, any other state, or the United States,
 - b. any person who has been previously convicted of violating any law of this state, any other state, the United States, or
 - c. any other person, licensed or unlicensed, whose conduct or reputation is such that his or her presence at the race meeting may, in the opinion of the Commission reflect on the honesty and integrity of horse racing or interfere with the orderly conduct of the race meeting. No person shall be excluded or ejected from a race meeting solely on the grounds of race, color, creed, sex, national origin, or ancestry;
13. Have investigatory powers and authority to place attendants and such other persons as may be deemed necessary by the Commission in the offices, on the tracks, or in places of business of any organization licensee for the purpose of determining whether an organization or occupation licensee is complying with the provisions of the Oklahoma Horse Racing Act and the rules of the Commission;
14. Have authority to acquire or contract with, or establish, maintain, and operate testing laboratories and related facilities for the purpose of conducting:
 - a. human substance abuse testing on occupation licensees who may affect the outcome of race results. Human substance abuse tests and the laboratories performing such tests must meet the nationally recognized standards specified in the Mandatory Guidelines for Federal Workplace Drug Testing Programs adopted by the United States Department of Health and Human Services.

The Commission may require any occupation licensee to submit to a human substance abuse test if the Commission has probable cause to believe that such licensee is possessing or using any controlled dangerous substance or any other drug in violation of any federal or state law. Provided, on and after July 1, 1994, such testing shall be in compliance with the provisions of the Standards for Workplace Drug and Alcohol Testing Act, and

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

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

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

17. Have the authority to suspend or revoke a license or impose fines in amounts not to exceed Ten Thousand Dollars (\$10,000.00) against individuals for each violation and in amounts not to exceed Twenty Thousand Dollars (\$20,000.00) against organization licensees for each violation of any provision of the Oklahoma Horse Racing Act, any rules adopted by the Commission, or any order of the Commission, or for any other action which, in the discretion of the Commission, is a detriment or impediment to horse racing or both such suspension or revocation and fine. Each day upon which such violation or other action by the organization licensee occurs shall constitute a separate offense;

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

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

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

2. The Commission, upon appeal or due consideration, may overrule any decision of a steward except decisions regarding disqualifications for interference during the running of a race if a preponderance of evidence indicates:

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

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

Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 13, emerg. eff. March 22, 1983; Laws 1985, c. 196, § 3, emerg. eff. June 26, 1985; Laws 1987, c. 208, § 68, operative July 1, 1987; Laws 1987, c. 236, § 87, emerg. eff. July 20, 1987; Laws 1989, c. 369, § 97, operative July 1, 1989; Laws 1990, c. 170, § 1, eff. Sept. 1, 1990; Laws 1992, c. 16, § 3, emerg. eff. March 26, 1992; Laws 1992, c. 364, § 17, emerg. eff. June 4, 1992; Laws 1993, c. 355, § 17, emerg. eff. June 10, 1993; Laws 1997, c. 305, § 2, eff. July 1, 1997.

§3A-204.1. Repealed by Laws 1986, c. 223, § 59, operative July 1, 1986.

§3A-204.1A. Repealed by Laws 2017, c. 116, § 8, eff. July 1, 2017.

§3A-204.1B. Equine Drug Testing Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Horse Racing Commission, to be designated the "Equine Drug Testing Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Horse Racing Commission, from appropriations made to the Commission for deposit in the fund and monies paid by organization licensees to the Commission pursuant to assessments made by the Commission for equine drug testing. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Oklahoma Horse Racing Commission for the purpose specified in paragraph 14 of subsection A

of Section 204 of this title. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 1989, c. 369, § 103, operative July 1, 1989. Amended by Laws 2012, c. 304, § 22.

§3A-204.1C. Oklahoma Horse Racing Commission Operational Expenses Revolving Fund.

There is hereby created in the State Treasury a revolving fund for the Oklahoma Horse Racing Commission to be designated as the "Oklahoma Horse Racing Commission Operational Expenses Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations or reconciliation, and shall consist of all monies received by the Oklahoma Horse Racing Commission from revenues apportioned to the fund by Sections 205.6 and 263 of Title 3A of the Oklahoma Statutes, together with all monies from fines, fees, reimbursements, assessments and sale of materials which are collected or received by the Commission and all monies retained by the Commission under the provisions of Title 3A of the Oklahoma Statutes. All monies accrued to the credit of the fund are hereby appropriated and may be budgeted and expended by the Commission to pay the costs, both direct and indirect, of the Commission. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Added by Laws 2017, c. 116, § 1, eff. July 1, 2017.

§3A-204.1D. Oklahoma Horse Racing Commission - Budget.

A. The Oklahoma Horse Racing Commission Operational Expenses Revolving Fund shall be used to fund the operations of the Oklahoma Horse Racing Commission within the limits of the budget (Budget).

B. The Budget for the initial fiscal year of this act shall be established by vote at a Commission meeting and shall not exceed Three Million Three Hundred Thousand Dollars (\$3,300,000.00). The Budget for subsequent years shall be established by vote at a Commission meeting and may be increased as follows: any amount equal to the initial fiscal year budget under this act multiplied by the percentage by which the CPI Index on January 1 of the budget year exceeds the CPI Index of the previous year; or by an amount agreed to by the organization licensees described in paragraphs 1 and 2 of subsection C of Section 262 of Title 3A of the Oklahoma Statutes and the official horsemen's representative organizations described in Section 267 of Title 3A of the Oklahoma Statutes by vote at a Commission meeting. "CPI" means the most recent all-items consumer price index for all-urban consumers for the United States City

Average published by the United States Department of Labor. Consent to the increase in the budget amount for the Oklahoma Horse Racing Commission by the organization licensees and the official horsemen's representative organizations authorized by this subsection may be communicated to the Oklahoma Horse Racing Commission either through a resolution of the governing board of each such licensee and each such representative organization or through a communication authorized to be made by the governing board of each such licensee and each such representative organization by a chief executive officer or authorized employee or authorized agent of the organization licensee or representative organization in such form and at such time as may be mutually agreeable to the Oklahoma Horse Racing Commission and the respective licensee or representative organization.

C. The Oklahoma Horse Racing Commission shall establish the percentage of adjusted gross gaming revenues necessary for providing adequate operational expenses (Operational Expenses Revolving Fund Retention Percentage) by vote at a Commission meeting. The Operational Expenses Revolving Fund Retention Percentage shall be no less than one-half of one percent (0.5%) and no more than three percent (3%) of adjusted gross gaming revenues, as outlined in subsections A through G of Section 263 of Title 3A of the Oklahoma Statutes. For any subsequent quarter of a year, the Commission may adjust the Operational Expenses Revolving Fund Retention Percentage by a vote at a Commission meeting in accordance with the budget limitations established herein. In establishing the Operational Expenses Revolving Fund Retention Percentage, the Commission must attempt to set the rate to meet the estimated operating needs for the budget year, such that funds are available for operations but funds in excess of operating needs are minimized.

Added by Laws 2017, c. 116, § 2, eff. July 1, 2017.

§3A-204.2. Occupation licenses for certain racetrack personnel - Application - Fees - Grounds for refusal to issue - Suspension or revocation - Disposition of fees.

A. The Oklahoma Horse Racing Commission shall issue occupation licenses to horse owners, trainers, jockeys, agents, apprentices, grooms, exercise persons, veterinarians, valets, blacksmiths, concessionaires, stewards, starters, timers, judges, supervisors of mutuels, guards, and such other personnel designated by the Commission whose work, in whole or in part, is conducted upon racetrack grounds which are owned by an organization licensee. The licenses shall be obtained prior to the time such persons engage in their vocations upon such racetrack grounds at any time during the calendar year for which the organization license has been issued. No person required to be licensed pursuant to the provisions of this section may participate in any capacity in any race meeting without a valid license authorizing such participation.

B. Each application for an occupation license shall be on a form prescribed and furnished by the Commission and shall include a search waiver. The license shall be renewed either annually or triennially beginning January 1. The application shall be accompanied by a fee in an amount of not more than One Hundred Dollars (\$100.00) if renewed annually or not more than Three Hundred Dollars (\$300.00) if renewed triennially. Each application shall contain the following information concerning the applicant:

1. Full name and address;
2. Age;
3. Whether the applicant was issued any prior occupation license from this state;
4. Whether the applicant was issued any occupation license from another state;
5. Whether an occupation license from another state is or has been denied, suspended, or revoked;
6. Whether the applicant has been convicted of a felony in this state or any other state as established by a national criminal history record check as defined by Section 150.9 of Title 74 of the Oklahoma Statutes; and
7. Such other information as required by the Commission.

C. The Commission may refuse an occupation license to any person:

1. Who has been convicted of a felony; or
2. Who has been convicted of violating any law regarding gambling or controlled dangerous substances of the United States, this state, or any other state; or
3. Who is unqualified to perform the duties required of the applicant; or
4. Who fails to disclose or states falsely any information required in the application; or
5. Who has been found guilty of a violation of any provision of the Oklahoma Horse Racing Act or of the rules and regulations of the Commission; or
6. Whose license has been suspended, revoked, or denied for just cause in any other state.

D. The Commission may suspend or revoke any occupation license or fine an occupation licensee for:

1. Violation of any of the provisions of the Oklahoma Horse Racing Act; or
2. Violation of any provision of the rules or regulations of the Commission; or
3. Any cause which, if known to the Commission, would have justified the refusal of the Commission to issue the occupation license; or
4. Any other just cause as determined by the Commission.

E. Of the original application fee for an occupation license, the amount of the fingerprinting fee shall be deposited in the OSBI Revolving Fund. The remainder shall be apportioned to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund.

F. Notwithstanding any other provision of the Oklahoma Horse Racing Act, Section 200 et seq. of this title, licenses for personnel specified in subsection A of this section whose work is limited to racetrack grounds which are owned by an organization licensee which only conducts non-pari-mutuel race meetings or training races shall be issued pursuant to rules adopted by the Commission in accordance with the American Quarter Horse Association rules.

G. The Commission may promulgate rules to facilitate and promote uniform, reciprocal occupation licensing with other jurisdictions.

H. Nothing in the Oklahoma Horse Racing Act or rules promulgated pursuant thereto shall prohibit or be construed as prohibiting issuance of any occupation license solely because the applicant is an organizational licensee or racetrack owner or holds an interest in a racetrack.

Added by Laws 1983, c. 11, § 15, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 196, § 4, emerg. eff. June 26, 1985; Laws 1986, c. 223, § 12, operative July 1, 1986; Laws 1988, c. 210, § 6, operative July 1, 1988; Laws 1989, c. 369, § 98, operative July 1, 1989; Laws 1992, c. 16, § 4, emerg. eff. March 26, 1992; Laws 1999, c. 8, § 1, eff. Nov. 1, 1999; Laws 2000, c. 238, § 1, emerg. eff. May 24, 2000; Laws 2003, c. 204, § 2, eff. Nov. 1, 2003; Laws 2017, c. 116, § 3, eff. July 1, 2017.

§3A-204.3. Suspension or revocation of occupation license at race meeting - Procedure.

A. The Commission or the stewards or the judges at a race meeting shall have the authority to revoke or suspend an occupation license. If the Commission revokes or suspends an occupation license, or a steward or the judges at any race meeting suspend an occupation license, the occupation license of the person shall remain suspended or revoked until the final determination has been made pursuant to the provisions of Sections 301 through 326 of Title 75 of the Oklahoma Statutes.

B. The Commission or the stewards or the judges at a race meeting may summarily suspend an occupation license pending further proceedings pursuant to the provisions of Sections 301 through 326 of Title 75 of the Oklahoma Statutes. Such proceedings shall be promptly instituted.

Added by Laws 1983, c. 11, § 16, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 196, § 5, emerg. eff. June 26, 1985.

§3A-205. License required.

A. No person shall conduct a horse race where the public is charged any type of fee for admission, parking, or to race a horse without a valid organization license issued pursuant to the provisions of the Oklahoma Horse Racing Act.

B. Any person violating the provision of this section, upon conviction, shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment. Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 17, emerg. eff. March 22, 1983; Laws 2006, c. 274, § 2, emerg. eff. June 7, 2006.

§3A-205.1. Organization license - Applications - Silent or undisclosed interest.

A. Any person desiring to conduct a race meeting may apply to the Commission for an organization license. The application shall be made on a form prescribed and furnished by the Commission and shall include a search waiver. The application shall contain the following information:

1. the dates on which the applicant intends to conduct the race meeting; and
2. the hours of each racing day between which the applicant intends to conduct horse racing at such meeting; and
3. the location where the applicant proposes to conduct the race meeting; and
4. the name and mailing address of the person, association, or corporation making the application; and
5. if the applicant is a corporation:
 - a. a certified copy of the articles of incorporation and bylaws, and
 - b. the names and mailing addresses of all stockholders who own at least three percent (3%) of the total stock issued by the corporation, officers, and directors and the number of shares of stock owned by each; and
6. if the applicant is a partnership:
 - a. a copy of the partnership agreement, and
 - b. the names and mailing addresses of all general and limited partners with a statement of their respective interest in the partnership; and
7. any other information the Commission may require.

B. A separate application shall be filed for each race meeting which such person proposes to conduct. The application:

1. if made by an individual, shall be signed and verified under oath by the individual; and

2. if made by more than one individual or by a partnership, shall be signed and verified under oath by at least two of the individuals or members of the partnership; and

3. if made by an association, a corporation, or any other entity, shall be signed by the president, attested to by the secretary under the seal of such association or corporation if it has a seal, and verified under oath by one of the signing officers.

C. No person shall own any silent or undisclosed interest in any entity requesting an organization license.

D. No organization license shall be issued to any applicant that fails to comply with the provisions of this section.

Added by Laws 1983, c. 11, § 18, emerg. eff. March 22, 1983.

§3A-205.2. Organization license - Fees - Issuance - Racing days allocation - Bond - Citizenship and residency - Revocation of license - Disposition of fees.

A. Applications for organization licenses must be filed with the Commission at a time and place prescribed by the rules and regulations of the Commission. Beginning with organization license applications for the 1994 calendar year, the Commission shall develop and use separate application forms for applicants requesting an organization license to conduct horse racing with the pari-mutuel system of wagering and applicants requesting an organization license to conduct horse racing without the pari-mutuel system of wagering. For use for the 1993 calendar year organization licenses, an applicant requesting to conduct horse racing without the pari-mutuel system of wagering shall make application with the Commission on American Quarter Horse Association application forms. Applications for an organization license to conduct horse racing without the pari-mutuel system of wagering for the 1993 calendar year shall be filed with the Commission on or before the 1st day of August, 1992. Each applicant requesting an organization license to conduct horse racing with the pari-mutuel system of wagering shall include with each application a nonrefundable license fee equal to the sum of Five Thousand Dollars (\$5,000.00) for each race meeting and Two Hundred Dollars (\$200.00) for each racing day requested. Provided, the fee for Five Thousand Dollars (\$5,000.00) shall be waived for applicants applying pursuant to the provisions of Section 208.2 of this title. Each applicant requesting an organization license to conduct horse racing without the pari-mutuel system of wagering or to conduct accredited work or training races shall include with each application a nonrefundable license fee of Five Hundred Dollars (\$500.00) for each race meeting. Such fee shall be in the form of a certified check or bank draft payable to the order of the Commission. Within thirty (30) days after the date specified for filing, the Commission shall examine the applications for compliance with the provisions of the Oklahoma Horse Racing Act and such rules and regulations as may

be promulgated by the Commission. If any application does not comply with the provisions of the Oklahoma Horse Racing Act or the rules and regulations promulgated by the Commission, the application may be rejected or the Commission may direct the applicant to comply with the provisions of the Oklahoma Horse Racing Act or the rules and regulations of the Commission within a reasonable time as determined by the Commission. Upon proof by the applicant of compliance, the Commission may reconsider the application. If it is found to be in compliance with the provisions of the Oklahoma Horse Racing Act and the rules and regulations of the Commission, the Commission may then issue an organization license to the applicant.

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

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

1. The character, reputation, experience, and financial integrity of each applicant and of any other person that:
 - a. directly or indirectly controls such applicant, or
 - b. is directly or indirectly controlled by such applicant or by a person who directly or indirectly controls such applicant; and
2. The facilities and accommodations of the applicant for the conduct of race meetings; and
3. The location of the race meeting of the applicant in relation to the principal centers of population of this state; and
4. The highest prospective total revenue to be derived by the state from the conduct of the race meeting.

D. Prior to the issuance of an organization license to conduct pari-mutuel race meetings, the applicant shall file with the Commission a bond payable to the State of Oklahoma in an amount determined by the Commission which is not less than Two Hundred Thousand Dollars (\$200,000.00) and not more than the total financial liability of the organization licensee throughout the race meeting for which the organization license is requested, executed by the applicant and a surety company or companies authorized to do business in this state, and conditioned upon the payment by the organization licensee of all taxes and other monies due and payable pursuant to the provisions of the Oklahoma Horse Racing Act and all purses due and payable, and upon the fact that, upon presentation of winning tickets, the organization licensee will distribute all sums due to the patrons of pari-mutuel pools. The financial liabilities incurred

by the organization licensee in the form of real estate mortgages shall not be included in the determination of the bond amount.

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

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

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

H. All horse racing conducted pursuant to the provisions of an organization license is subject to the provisions of the Oklahoma Horse Racing Act and of the rules, regulations and directives promulgated by the Commission, and every organization license issued by the Commission shall contain a statement to that effect.

I. Any organization licensee may provide, with prior approval by the Commission, that at least one horse race a day may be devoted to the racing of a type of horse which is different from the type of horse being raced in the other races conducted by the organization licensee on that day. When scheduled races are trial heats for futurities or stakes races electronically timed from the starting gates, no organization licensee shall move the starting gates or allow the starting gates to be moved until all trial heats are complete, except in an emergency as determined by the stewards.

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

1. Violates any provision of the Oklahoma Horse Racing Act; or
2. Violates any provision of the rules and regulations promulgated pursuant to the provisions of the Oklahoma Horse Racing Act; or
3. Has been convicted of a felony; or
4. Has been convicted of violating any law regarding gambling or controlled dangerous substances of the United States, this state, or any other state; or
5. Has failed to disclose or has stated falsely any information contained in the application; or
6. Has concealed in whole or in part the true ownership of the organization licensee.

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

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

L. The provisions of the Oklahoma Horse Racing Act and rules promulgated by the Commission shall apply to an organization licensee during the entire calendar year in which the license was issued. Added by Laws 1983, c. 11, § 19, emerg. eff. March 22, 1983. Amended by Laws 1984, c. 203, § 2, operative July 1, 1984; Laws 1985, c. 196, § 6, emerg. eff. June 26, 1985; Laws 1986, c. 223, § 13, operative July 1, 1986; Laws 1987, c. 208, § 70, operative July 1, 1987; Laws 1987, c. 236, § 89, emerg. eff. July 20, 1987; Laws 1989, c. 369, § 102, emerg. eff. June 6, 1989; Laws 1991, c. 269, § 8, eff. July 1, 1991; Laws 1992, c. 16, § 5, emerg. eff. March 26, 1992; Laws 1992, c. 364, § 18, emerg. eff. June 4, 1992; Laws 2017, c. 116, § 4, eff. July 1, 2017.

§3A-205.2a. Ownership interest in organization license.

Whenever an organization license to conduct a horse race meeting has been issued, no person shall in any manner become the owner or holder, directly or indirectly, of any shares of stock or certificates or other evidence of ownership of any interest in such organization licensee without first having obtained the approval of the Commission. The Commission may, after hearing, revoke such organization license granted to any person which shall register on its books in the name of any person its shares of stock or certificates or other evidence of ownership of any interest in such organization licensee without the approval of the Commission having first been obtained, or which shall knowingly permit a person to be directly or indirectly interested in its shares of stock or certificates or other evidence of ownership of any interest in such organization license without reporting the same to the Commission. Whenever the Commission gives to any person its approval to own or hold the shares of stock or certificates or other evidence of ownership of any interest in any such organization licensee it shall by registered mail notify the secretary of such licensee of such approval. Under no circumstances shall the Commission give such approval to any person who has been convicted of a felony or a crime involving moral turpitude, unless said person has been granted a full and unconditional pardon. Under no circumstances shall the Commission give such approval to any person who has violated any of the provisions of the racing laws of this state or any other state, or has at any time been denied a license or permit of any kind by the Commission.

Added by Laws 1985, c. 196, § 7, emerg. eff. June 26, 1985.

§3A-205.3. Persons ineligible for grant of organization license.

No organization license shall be granted:

1. to any applicant if the applicant or a person owning an interest in the applicant:
 - a. has been convicted of a felony, or
 - b. has been convicted of violating any law regarding gambling or controlled dangerous substances of the United States, this state, or any other state, or
 - c. has a federal or state criminal charge pending, or
 - d. is or has been connected with or engaged in the operation of any illegal business; or
2. to any person who, at the time of application for the organization license, does not own a finished racetrack or have architectural plans and specifications approved by the Commission for a racetrack which is suitable for the type of racing intended to be held by the applicant and for the accommodation and safety of the public and the horses.

Added by Laws 1983, c. 11, § 20, emerg. eff. March 22, 1983.

§3A-205.4. Minimum standard for organization licensees - Penalty.

A. The Commission shall promulgate rules and regulations setting minimum standards to be met by organization licensees.

B. The failure of an organization licensee which has been awarded racing dates to meet the minimum standards set by the Commission shall result in the mandatory suspension of the organization license by the Commission. The suspended organization license of the organization shall not be reinstated until the minimum standards are met. Those organization licensees which apply for racing dates shall not be granted organization licenses if they are not in compliance with the minimum standards to be set by the Commission.

Added by Laws 1983, c. 11, § 21, emerg. eff. March 22, 1983.

§3A-205.5. Fire safety standards in grandstand facilities - Inspections.

A. Prior to commencing construction, remodeling, or alteration of grandstand or other spectator areas, including but not limited to clubs, lounges, and restaurants, plans and specifications shall be presented to the State Fire Marshal for approval. Life safety provisions of the National Fire Protection Association "Life Safety Code", No. 101, as adopted by the State Fire Marshal Commission, shall be the state standard for regulation of fire safety in grandstand facilities.

B. Prior to commencing construction, remodeling, or alteration of stables, dormitories, barns, and other buildings in the stabling

areas, plans and specifications shall be presented to the State Fire Marshal for approval.

C. The State Fire Marshal Commission shall adopt rules and regulations for conducting fire safety inspections on a regular basis at operating tracks.

Added by Laws 1983, c. 11, § 22, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 196, § 8, emerg. eff. June 26, 1985.

§3A-205.6. Pari-mutuel system of wagering authorized - Distribution of funds retained from money wagered - Revenue bond financing of racetrack or facility prohibited.

A. Any organization licensee conducting a race meeting may provide places on the race meeting grounds at which it may conduct and supervise the pari-mutuel system of wagering on the horse races conducted by the organization licensee at the race meeting. No other place or method of betting, pool making, wagering, or gambling shall be used or permitted by the organization licensee. The pari-mutuel system of wagering shall be permitted only on horse races conducted at a racetrack where such pari-mutuel system of wagering is authorized pursuant to the provisions of the Oklahoma Horse Racing Act.

B. Each organization licensee that holds a race meeting at which the pari-mutuel system of wagering is conducted shall retain an amount equal to eighteen percent (18%) of all money wagered, to be distributed as follows:

1. The first One Hundred Million Dollars (\$100,000,000.00) wagered per calendar year for each type of racing shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

- a. one-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund, and
- b. five-ninths (5/9) of the eighteen percent (18%) shall be retained by the organization licensee, and
- c. one-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses.

2. All money wagered per calendar year for each type of racing in excess of One Hundred Million Dollars (\$100,000,000.00) but not to exceed One Hundred Fifty Million Dollars (\$150,000,000.00) shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

- a. one-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund, and
- b. four-ninths (4/9) of the eighteen percent (18%) shall be retained by the organization licensee, and
- c. one-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses, and
- d. one-ninth (1/9) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as follows:
 - (1) seventy-five percent (75%) as purses for participating horses, and
 - (2) twenty-five percent (25%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account.

3. All money wagered per calendar year for each type of racing in excess of One Hundred Fifty Million Dollars (\$150,000,000.00) shall be distributed as follows provided, that all racing dates exclusively for Thoroughbred racing in a calendar year shall be combined for the purpose of computing taxation rates and all racing dates for mixed racing and all other individual breeds in a calendar year shall be combined but considered separate from Thoroughbred racing for the purpose of computing taxation rates:

- a. one-ninth (1/9) of the eighteen percent (18%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. One hundred percent (100%) of the revenue derived pursuant to the provisions of this paragraph shall be apportioned monthly to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund, and

- b. one-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee, and
- c. one-third (1/3) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as purses for participating horses, and
- d. two-ninths (2/9) of the eighteen percent (18%) shall be retained by the organization licensee to be distributed as follows:
 - (1) seventy-five percent (75%) as purses for participating horses, and
 - (2) twenty-five percent (25%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account.

C. Notwithstanding any other provisions of this act, the state shall collect six percent (6%) of the total amount wagered under the provisions of this act at such time the organization licensee has no further debt service.

D. In addition to the amount required to be retained by the provisions of subsection B of this section, each organization licensee holding a race meeting at which the pari-mutuel system of wagering is conducted shall retain an additional amount equal to three percent (3%) of all money wagered on multiple race wagers involving not to exceed two races and on multiple horse wagers not to exceed two horses in the same race.

Such amount shall be retained by the organization licensee to be distributed as follows:

- 1. Two-thirds (2/3) of three percent (3%) shall be distributed:
 - a. seventy-five percent (75%) as purses for participating horses, and
 - b. twenty-five percent (25%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding Development Fund Special Account; and
- 2. One-third (1/3) of the three percent (3%) shall be distributed:
 - a. fifty percent (50%) as purses for participating horses, and
 - b. fifty percent (50%) to the organization licensee.

E. Each organization licensee shall retain an amount not less than twenty-one percent (21%) nor greater than twenty-five percent (25%) of all money wagered on multiple race wagers involving more than two races, and on multiple horse wagers involving more than two horses such amount shall be distributed as follows:

- 1. Eighteen percent (18%) pursuant to subsection B of this section;

2. Three percent (3%) pursuant to subsection D of this section; and

3. Of the remainder, fifty percent (50%) to be distributed as purses for participating horses and fifty percent (50%) to the organization licensee.

F. Organization licensees shall keep accurate books and records of all monies wagered on each day of a race meeting and of the taxes paid pursuant to the provisions of this section. The Oklahoma Tax Commission or an authorized representative shall have access at all reasonable times to such records for the purpose of examining and checking the records and ascertaining whether the proper amount of taxes is being paid. The Oklahoma Tax Commission shall require verified reports and a statement of the total of all monies wagered daily at a race meeting and may prescribe forms upon which such reports and statement shall be made. The organization licensee shall provide the Oklahoma Tax Commission with such space and accommodations as may be necessary for the Oklahoma Tax Commission to implement its duties pursuant to the provisions of the Oklahoma Horse Racing Act.

G. No revenue bonds issued by a public trust, as authorized by the provisions of Title 62 of the Oklahoma Statutes, shall be used to finance any racetrack or racing facility.

H. All monies retained or to be distributed for purses shall be held in trust by the Horsemen's Bookkeeper pursuant to Section 208.13 of this title for the duly designated horsemen's organization for purses.

Added by Laws 1983, c. 11, § 23, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 52, § 1, operative July 1, 1985; Laws 1986, c. 223, § 14, operative July 1, 1986; Laws 1989, c. 249, § 1, eff. July 1, 1989; Laws 1990, c. 275, § 4, emerg. eff. May 25, 1990; Laws 1992, c. 26, § 1, eff. July 1, 1992; Laws 1992, c. 364, § 15, eff. July 1, 1992; Laws 1995, c. 124, § 1, emerg. eff. April 21, 1995; Laws 2001, c. 182, § 1, emerg. eff. May 2, 2001; Laws 2010, c. 340, § 1, eff. Nov. 1, 2010; Laws 2017, c. 116, § 5, eff. July 1, 2017.

§3A-205.6a. Offtrack wagering plans - Conditions - Notification - Licensing - Breakage and unclaimed ticket proceeds.

A. Any organization licensee shall file with the Oklahoma Horse Racing Commission its plan to conduct pari-mutuel wagering at a facility or facilities located outside the organization licensee's racing enclosure. Such pari-mutuel wagering may be conducted at any time as authorized by the Commission. The conducting of pari-mutuel wagering at a facility outside the organization licensee's enclosure is subject to the following:

1. Pari-mutuel wagering shall be permitted only in a county which approves or has approved the conducting of pari-mutuel horse

racing in that county pursuant to the provisions of Section 209 of this title;

2. Pari-mutuel wagering conducted by an organization licensee shall not be permitted within thirty (30) miles of another organization licensee's racing enclosure without the express permission granted by the other organization licensee;

3. All pari-mutuel wagering facilities located outside any organization licensee's racing enclosure shall be operated in accordance with all applicable rules of the Oklahoma Horse Racing Commission Rules of Racing (Pari-Mutuel Edition);

4. The organization licensee sending its racing signal to a facility or facilities outside its racing enclosure may combine the pari-mutuel pools of all facilities with those of the organization licensee for the purpose of determining odds and computing payoffs. The amount of money to be retained and distributed by the organization licensee and to be remitted to the Oklahoma Tax Commission from money wagered pursuant to the provisions of this section shall be the same as set forth in paragraph 1 of subsection B, in subsection D, and in subsection E of Section 205.6 of this title and in Section 208.2 of this title;

5. One percent (1%) of the total monies wagered at a facility other than an organization licensee's racing enclosure shall be distributed from the amount retained pursuant to paragraph 4 of this subsection as follows:

- a. ten percent (10%) to the State Auditor and Inspector for the purpose of auditing such facilities, and
- b. forty-five percent (45%) to the county in which the facility is located, and
- c. forty-five percent (45%) to the city in which the facility is located, or
- d. if the facility is not located within the corporate limits of any city, ninety percent (90%) to the county in which the facility is located;

6. The distribution for purses at facilities other than an organization licensee's racing enclosures shall be:

- a. six and one-half percent (6.5%) of total handle during the first thirty-six (36) months after the opening of a facility in a county, and
- b. seven and one-half percent (7.5%) of total handle thereafter.

Upon completion of three hundred sixty-five (365) calendar days since the opening of a facility in a county, the thirty-six-month period commences retroactive to the opening of that facility. If the facility does not operate for three hundred sixty-five (365) calendar days, a new facility may be opened and operated, with the thirty-six-month period commencing consistent with this paragraph. If a facility terminates operation after the three-hundred-sixty-fifth

calendar day, all days shall be allotted to subsequent facilities not to exceed one thousand ninety-five (1,095) calendar days per facility; and

7. The organization licensee, after the distribution to the Oklahoma Tax Commission pursuant to the provisions of paragraph 4 of this subsection and distributions pursuant to paragraphs 5 and 6 of this subsection, shall retain the balance of the monies wagered.

B. Notification by an organization licensee to conduct pari-mutuel wagering at a facility or facilities outside of the organization licensee's racing enclosure shall be made annually to the Oklahoma Horse Racing Commission. An organization licensee may make an original notification to conduct pari-mutuel wagering at a facility or facilities outside of the organization licensee's racing enclosure at any time.

C. All persons employed in the actual conduct of pari-mutuel wagering at a facility outside an organization licensee's racing enclosure shall be licensed by the Commission, consistent with Section 204.2 of this title.

D. Breakage and unclaimed ticket proceeds shall be distributed in the manner applicable to the races of the racing program of the organization licensee sending the racing program.

E. All monies retained or to be distributed for purses shall be held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of this act for the duly designated horsemen's organization for purses. Added by Laws 1995, c. 125, § 1. Amended by Laws 1996, c. 176, § 1, emerg. eff. May 14, 1996; Laws 2010, c. 340, § 2, eff. Nov. 1, 2010.

§3A-205.7. Wagering on out-of-state races.

A. The Oklahoma Horse Racing Commission may authorize an organization licensee to accept wagers on the results of out-of-state full racing programs for simulcast races as follows:

1. On days when the organization licensee is conducting live racing, the licensee may accept wagers on out-of-state full racing programs during the hours when it is conducting live racing, and may accept wagers on the results of out-of-state full racing programs during the hours it is not conducting live racing;

2. a. On days when the organization licensee is not conducting live racing, the licensee may accept wagers on the results of out-of-state full racing programs, provided that the number of days, not included in its race meeting, which an organization licensee may be authorized to accept wagering pursuant to this paragraph is limited to fifty percent (50%) of the number of days the licensee conducts live racing;

b. notwithstanding the limitations contained in subparagraph a of this paragraph, an organization licensee may accept wagers on races run at any

racetrack licensed by the Oklahoma Horse Racing Commission, and may accept wagers on the out-of-state full racing programs received by said racetrack; and

3. On days when the licensee is conducting live racing, the Oklahoma Horse Racing Commission may authorize the organization licensee to accept wagers on individual out-of-state simulcast races in addition to the out-of-state full racing programs.

B. The authorization provided in subsection A of this section must comply with federal laws including, but not limited to, Chapter 57 of Title 15 of the United States Code.

C. Wagers on out-of-state races conducted pursuant to the provisions of this section may be placed in a separate pari-mutuel pool or pools, or may be combined with the pari-mutuel pool or pools of the track where the race is run, or may be combined with other organization licensees licensed by the Oklahoma Horse Racing Commission and their wagering facilities located within this state.

D. Each organization licensee accepting wagers on an out-of-state race shall deduct a percentage of the amount handled which is equal to the percentage deducted from the amount handled by the organization licensee in pari-mutuel pools at the race meeting or meetings held by the organization licensee if the wagers on the out-of-state races are not being combined with the pari-mutuel pool or pools where the race or races are being run.

E. For the day on which the out-of-state race is offered, each organization licensee shall pay the state share of the organization licensee at the rate applicable to the races of the racing program of the organization licensee.

F. Breakage and unclaimed ticket proceeds shall be distributed in the manner applicable to the races of the racing program of the organization licensee.

G. Except as otherwise provided by law, the amount remaining from the deduction pursuant to the provisions of subsection D of this section after payment of the state share and the contractual payment to the out-of-state host racing organization, shall be distributed as follows:

1. Fifty percent (50%) to the organization licensee; and
2. Fifty percent (50%) to the organization licensee to be distributed as purses.

H. An organization licensee accepting wagers on out-of-state full racing programs pursuant to subsection A of this section shall, for any year in which it intends to accept such out-of-state full racing programs, make application to the Commission for not less than eighty percent (80%) of the number of live racing days awarded for each race meeting to that licensee in 1996.

I. Notwithstanding subsection H of this section, any organization licensee may apply for less than the eighty percent (80%) of the number of live race days for a designated race meeting

awarded to the licensee in 1996 if such application is approved by the organization licensee's official horsemen's representative at that designated race meeting.

J. One-tenth of one percent (1/10 of 1%) of the total monies wagered at the racing enclosure on out-of-state simulcast races shall be remitted by the organization licensee from the amount retained pursuant to this section to the State Auditor and Inspector for the purpose of auditing racing facilities.

K. All monies retained or to be distributed for purses shall be held in trust by the Horsemen's Bookkeeper pursuant to Section 5 of this act for the duly designated horsemen's organization for purses. Added by Laws 1983, c. 11, § 24, emerg. eff. March 22, 1983. Amended by Laws 1988, c. 210, § 7, operative July 1, 1988; Laws 1991, c. 269, § 4, eff. July 1, 1991; Laws 1993, c. 160, § 1, eff. Sept. 1, 1993; Laws 1994, c. 83, § 1, emerg. eff. April 19, 1994; Laws 1995, c. 125, § 2; Laws 1996, c. 176, § 2, emerg. eff. May 14, 1996; Laws 2002, c. 152, § 1, emerg. eff. April 29, 2002; Laws 2010, c. 340, § 3, eff. Nov. 1, 2010.

§3A-205.7a. Televised races.

A. Any organization licensee that accepts full-card out-of-state simulcast wagering at any time during a calendar year shall be required to televise to all other racetracks licensed by the Oklahoma Horse Racing Commission all of its live races, or the number of days of its live racing which is equivalent to the number of days of live racing conducted at the receiving track, whichever is less. Pari-mutuel wagering may be conducted on such races at all other racetracks licensed by the Oklahoma Horse Racing Commission and may be allowed at their in-state offtrack pari-mutuel wagering facilities or at any other racetrack or entity in another state or country. Money wagered on such races may be placed in separate or common pools as determined by rules of the Oklahoma Horse Racing Commission. A written application to televise a race shall contain the details of such race, its agreements and contracts, and shall be submitted to the Oklahoma Horse Racing Commission for its approval prior to the racing event. Such agreement shall comply with all applicable laws of the United States and the laws of this state. The proceeds of the agreement shall be distributed in the same manner as money wagered pursuant to the provisions of paragraph 1 of subsection B, in subsection D, and in subsection E of Section 205.6 of this title and Section 208.2 of this title.

B. For the days on which a licensed track within this state does not conduct live racing but conducts pari-mutuel wagering on races televised from another licensed track within this state or on out-of-state races, the conducting of pari-mutuel wagering shall not be considered racing days for the purposes of this title.

C. When any licensed track within this state conducts pari-mutuel wagering on races televised from another licensed track within this state, the receiving licensee shall not retransmit the sending licensee's signal without the express permission of the sending licensee.

D. Breakage and unclaimed ticket proceeds shall be distributed in the manner applicable to the races of the racing program of the organization licensees who are sending and receiving the racing program.

Added by Laws 1995, c. 125, § 3. Amended by Laws 1996, c. 176, § 3, emerg. eff. May 14, 1996.

§3A-205.8. National Breeders' Cup - Pick seven wagers - Apportionment of wagered funds.

A. Pursuant to rules and regulations of the Oklahoma Horse Racing Commission, an organization licensee shall be permitted to conduct a National Breeders' Cup pick seven.

B. Any organization licensee authorized by the Commission to accept wagers on the results of the National Breeders' Cup races shall apportion all money wagered on pick seven wagers as follows:

1. Seven percent (7%) shall be remitted to the Oklahoma Tax Commission on the first business day following the close of the racing day on which it was assessed. The revenue shall be apportioned monthly to the General Revenue Fund of the state for the support of the state government, to be paid out only pursuant to appropriation by the Legislature;

2. Ten percent (10%) shall be retained by the organization licensee;

3. Eight percent (8%) shall be retained by the organization licensee to be distributed as purses; and

4. Seventy-five percent (75%) shall be placed in a separate pari-mutuel pool but shall be commingled with other states' pick seven wager pari-mutuel pools as governed by rules set forth by the Commission.

Added by Laws 1991, c. 269, § 5, eff. July 1, 1991.

§3A-206. Repealed by Laws 1983, c. 11, § 38.

§3A-207. Tax imposed - Distribution of proceeds.

Each organization licensee shall collect a tax of ten percent (10%) of the amount received by the organization licensee for tickets for admission to the race meeting grounds. If an organization licensee offers a reduced price for admission to the race meeting grounds based upon the purchase of a season ticket or pass, the amount of tax collected by the licensee for admission to the race meeting grounds as a result of the purchase of such ticket or pass by any person shall be equal to the amount of tax that would have been

collected by the licensee for admission to the race meeting grounds if such person did not hold a season ticket or pass. On the first business day after the close of the racing day on which the tax was collected, the organization licensee shall remit to the Oklahoma Tax Commission the proceeds from the tax. The proceeds of the tax shall be distributed as follows:

1. For the first two (2) years of operation, forty-five percent (45%) shall be apportioned monthly to the municipality in which the racetrack is located. Fifty percent (50%) shall be apportioned monthly to the county in which the racetrack is located. Five percent (5%) shall be apportioned monthly to the General Revenue Fund of the State Treasury.

2. For the third and all following years, fifty percent (50%) shall be apportioned monthly to the municipality in which the racetrack is located and fifty percent (50%) shall be apportioned monthly to the county in which the racetrack is located. If the racetrack is not located in a municipality or is located in a municipality with a population of less than one thousand (1,000), one hundred percent (100%) of the proceeds shall be distributed to the county in which the racetrack is located.

Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 25, emerg. eff. March 22, 1983; Laws 1983, c. 249, § 6, operative July 1, 1983; Laws 1986, c. 223, § 15, operative July 1, 1986; Laws 1989, c. 249, § 2, eff. July 1, 1989.

§3A-208. Breakage - Distribution of proceeds.

A. From any payment made to an individual who has wagered by contributing to a pari-mutuel pool operated by an organization licensee, the organization licensee shall deduct the odd cents by which the amount payable on each dollar wagered exceeds a multiple of ten cents (\$0.10). If there is a minus pari-mutuel pool, the organization licensee shall deduct the odd cents by which the amount payable on each dollar wagered exceeds a multiple of five cents (\$0.05). The amount so deducted shall be known as breakage.

B. All breakage proceeds shall be remitted by the organization licensee to the Commission for deposit in the Oklahoma Breeding Development Fund Special Account.

Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982. Amended by Laws 1983, c. 11, § 26, emerg. eff. March 22, 1983; Laws 1989, c. 369, § 99, operative July 1, 1989.

§3A-208.1. Unclaimed winning tickets - Claims - Proceeds.

A. Any individual who claims to be entitled to any part of a pari-mutuel pool conducted by an organization licensee and who fails

to receive the money due may file the following with the organization licensee within sixty (60) days after the wager has been made:

1. A verified claim on a form prescribed and furnished by the Oklahoma Horse Racing Commission setting forth such information as may be necessary to identify the particular pool and the amount claimed therefrom; and

2. A substantial portion of the pari-mutuel ticket upon which the claim is based, sufficient to identify the particular racetrack, race, and horse involved, the amount wagered, and whether the ticket was a win, place, or show ticket.

B. Upon proper application by an individual or an organization licensee the Commission shall hear any disputed claim and consider the proof offered in its support. Unless the claimant satisfactorily establishes the right to participate in the pool, the claim shall be rejected. If the claim is allowed, the organization licensee shall pay the amount of the claim to the claimant upon order of the Commission.

C. All unclaimed ticket proceeds shall be remitted by the organization licensee to the Commission for deposit in the Oklahoma Breeding Development Fund Special Account as follows:

1. The payment for unclaimed ticket proceeds shall be accompanied by a completed form as prescribed by the Commission; and

2. The organization licensee shall remit calendar quarterly payments of all unclaimed ticket proceeds which have been in the organization licensee's possession for no fewer than sixty (60) days after the wager has been made, regardless of whether the wager was from live racing or simulcasting or during or between live race meetings.

Added by Laws 1983, c. 11, § 27, emerg. eff. March 22, 1983. Amended by Laws 1989, c. 369, § 100, operative July 1, 1989; Laws 2001, c. 145, § 2, eff. July 1, 2001.

§3A-208.2. Race meetings conducted by fair associations - Proportions of wagers retained - Licenses.

A. Any fair association organized pursuant to the provisions of Title 2 of the Oklahoma Statutes for Agricultural Fair Corporations, the Free Oklahoma State Fair, Free District Fairs, and Agricultural and Industrial Expositions and Fairs or any existing county, district, or state fair as of January 1, 1983, which qualifies as an organization licensee may apply to the Oklahoma Horse Racing Commission for one race meeting each year to be held within the boundaries of the county where the fair association is located or at the racing enclosure of one or more other organization licensees in this state that agree to host all or a portion of the race meeting. The Commission may set the number of days and the dates of such race meeting requested by the fair association. Notwithstanding the definition in Section 200.1 of this title, a race meeting conducted

by a fair association shall, with the consent of the respective horsemen's organization or organizations and with the approval of the Commission, be allowed to exceed twenty (20) calendar days separating any race days for which an organization license is issued pursuant to this section if a portion of the race meeting is to be conducted at the racing enclosure of another organization licensee. A race meeting conducted pursuant to the provisions of this section shall be conducted in such a manner that all net profit after payment of expenses of conducting the race meeting, including compensation to the organization licensee hosting the race meeting, shall accrue to the fair association.

B. Each organization licensee that, pursuant to this section, holds a race meeting at which the pari-mutuel system of wagering is conducted shall retain the following amounts from the monies wagered:

1. On win, place, and show wagers, an amount equal to eighteen percent (18%) shall be retained and distributed as follows:
 - a. two-thirds (2/3) of the eighteen percent (18%) to the organization licensee, and
 - b. one-third (1/3) of the eighteen percent (18%) to purses for participating horses;
2. On race wagers involving two races or two horses, an amount equal to twenty-one percent (21%) shall be retained and distributed as follows:
 - a. one percent (1%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding and Development Fund Special Account for participating horses,
 - b. two-thirds (2/3) of the balance of the amount retained to the organization licensee, and
 - c. one-third (1/3) of the balance of the amount retained to purses for participating horses;
3. On race wagers involving three or more races or three or more horses, an amount equal to not less than twenty-one percent (21%) nor more than twenty-five percent (25%) shall be retained and distributed as follows:
 - a. one percent (1%) shall be remitted to the Commission, at such intervals as required by the Commission, for deposit in the Oklahoma Breeding and Development Fund Special Account for participating horses,
 - b. two-thirds (2/3) of the balance of the amount retained to the organization licensee, and
 - c. one-third (1/3) of the balance of the amount retained to purses for participating horses; and
4. a. Wagers conducted pursuant to Section 205.7 of this title by an organization licensee pursuant to this section whether or not such wagers are accepted during the live race meeting of the organization licensee

shall be exempt from the provisions of subsection E of Section 205.7 of this title.

- b. Except as otherwise provided by law, the amount remaining after the deduction made pursuant to the provisions of subsection D of Section 205.7 of this title and after the contractual payment to the out-of-state host racing organization shall be distributed as follows: an amount equal to two percent (2%) of the monies wagered shall be distributed to the organization licensee and the balance shall be distributed as follows:
- (1) fifty percent (50%) to the organization licensee, and
 - (2) fifty percent (50%) to the organization licensee to be distributed as purses.

C. Any organization licensed pursuant to this section and conducting pari-mutuel wagering on races being run at another organization licensee within the State of Oklahoma shall retain from the monies being wagered an amount equal to the amount being retained from wagers by the sending track. The amount of money retained shall be distributed as follows:

1. Fifty percent (50%) to the organization licensee; and
2. Fifty percent (50%) to the organization licensee as purses for participating horses.

D. The Commission shall issue occupation licenses for personnel of organization licensees licensed pursuant to this section. Each occupation license shall be issued pursuant to Section 204.2 of this title except that the occupation license fee shall not be more than Ten Dollars (\$10.00) excluding fingerprinting fees.

E. All monies retained or to be distributed for purses shall be held in trust by the Horsemen's Bookkeeper pursuant to Section 208.13 of this title for the duly designated horsemen's organization for purses.

Added by Laws 1983, c. 11, § 28, emerg. eff. March 22, 1983. Amended by Laws 1990, c. 162, § 1, operative July 1, 1990; Laws 1994, c. 83, § 2, emerg. eff. April 19, 1994; Laws 1995, c. 125, § 4; Laws 2001, c. 182, § 2, emerg. eff. May 2, 2001; Laws 2004, c. 8, § 23; Laws 2010, c. 340, § 4, eff. Nov. 1, 2010; Laws 2012, c. 177, § 1; Laws 2013, c. 396, § 1, eff. July 1, 2013.

§3A-208.3. Oklahoma Breeding Development Fund Special Account.

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 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 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;
7. To provide for the administration of the Oklahoma Breeding Development Program. The Oklahoma Horse Racing Commission is hereby authorized to utilize up to 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 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;

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.

Added by Laws 1983, c. 11, § 29, emerg. eff. March 22, 1983. Amended by Laws 1985, c. 52, § 2, operative July 1, 1985; Laws 1985, c. 196, § 9, operative July 1, 1985; Laws 1989, c. 369, § 101, operative July 1, 1989; Laws 1992, c. 26, § 2, eff. July 1, 1992; Laws 1993, c. 270, § 29, eff. Sept. 1, 1993; Laws 1993, c. 360, § 1, eff. Sept. 1, 1993; Laws 1998, c. 409, § 1, eff. July 1, 1999; Laws 2003, 299, § 4, eff. July 1, 2003; Laws 2006, c. 274, § 3, emerg. eff. June 7, 2006; Laws 2010, c. 245, § 1, eff. Nov. 1, 2010; Laws 2010, c. 413, § 8, eff. July 1, 2010.

NOTE: Laws 1993, c. 254, § 1 repealed by Laws 1993, c. 360, § 17, eff. Sept. 1, 1993.

§3A-208.3a. Oklahoma Breeding Development Administration Revolving Fund.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Horse Racing Commission, to be designated the "Oklahoma Breeding Development Administration Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission from transfers made pursuant to paragraph 6 of subsection B of Section 208.3 of this title. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the Commission for the purpose of administering the Oklahoma Breeding Development Program, or additions to purses of Oklahoma-bred races, and for no other purpose. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. Monies received by and expenditures from said fund shall be subject to an annual audit pursuant to paragraph 6 of subsection B and subsection E of Section 208.3 of this title.

At the close of each fiscal year any unencumbered, unobligated, and unexpended monies in the Oklahoma Breeding Development Administration Revolving Fund shall be transferred to the Oklahoma Breeding Development Fund Special Account.

Added by Laws 1993, c. 270, § 30, eff. Sept. 1, 1993. Amended by Laws 1998, c. 409, § 2, eff. July 1, 1999; Laws 2012, c. 304, § 23.

§3A-208.4. Conducting race or race meeting without license - Permitting minors to participate in certain activities - Penalties.

A. Any person holding a race or race meeting at which pari-mutuel or non-pari-mutuel wagering is conducted without a valid organization license issued pursuant to the provisions of the Oklahoma Horse Racing Act, upon conviction, shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment.

B. No organization licensee shall knowingly permit any minor to be a patron of the pari-mutuel system of wagering conducted by the organization licensee. Any person convicted of violating any provision of this subsection shall be guilty of a misdemeanor. Added by Laws 1983, c. 11, § 30, emerg. eff. March 22, 1983. Amended by Laws 1993, c. 254, § 2, emerg. eff. May 26, 1993; Laws 1997, c. 133, § 112, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 45, eff. July 1, 1999; Laws 2006, c. 274, § 4, emerg. eff. June 7, 2006. NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 112 from July 1, 1998, to July 1, 1999.

§3A-208.5. Repealed by Laws 1993, c. 85, § 2, eff. Sept. 1, 1993.

§3A-208.6. True name of horse to be used - Violations.

A. No person shall knowingly enter or cause to be entered for competition any horse under any other name than its true name, or out of its proper class, for any purse, prize, premium, stake, or sweepstakes offered to the winner of a contest of speed at any race meeting held by an organization licensee.

B. The name of any horse, for the purpose of entry for competition in any contest of speed, shall be the name under which the horse has been registered and has publicly performed.

C. Any person convicted of violating the provisions of this section shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment. Added by Laws 1983, c. 11, § 32, emerg. eff. March 22, 1983. Amended by Laws 1997, c. 133, § 113, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 46, eff. July 1, 1999. NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 113 from July 1, 1998, to July 1, 1999.

§3A-208.7. Use of certain devices for stimulating or depressing horse prohibited - Violations - Penalties.

A. It shall be unlawful for any person to:

1. Use or conspire to use any battery, buzzer, electrical or mechanical device, or other device other than the ordinary whip for the purpose of stimulating or depressing a horse or affecting its speed at any time; or

2. Sponge the nostrils or windpipe of a horse for the purpose of stimulating or depressing a horse or affecting its speed at any time; or

3. Have in the possession of the person, within the confines of a racetrack, stables, sheds, buildings, or grounds where horses are kept which are eligible to race over a racetrack of any organization licensee, any device other than the ordinary whip which may or can be used for the purpose of stimulating or depressing a horse or affecting its speed at any time; or

4. Have in the possession of the person with the intent to sell, give away, or exchange any such devices.

B. Possession of such devices by anyone within the confines of a racetrack, stables, sheds, buildings, or grounds where horses are kept which are eligible to race over the racetracks of any organization licensee shall be prima facie evidence of intention to use such devices.

C. Any person who violates the provisions of this section, upon conviction, shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment. The Commission shall suspend or revoke the license of any person convicted of violating the provisions of this section.

Added by Laws 1983, c. 11, § 33, emerg. eff. March 22, 1983. Amended by Laws 1997, c. 133, § 114, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 47, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 114 from July 1, 1998, to July 1, 1999.

§3A-208.8. Corrupt acts and practices - Penalties.

A. It shall be unlawful for any person to directly or indirectly engage or to conspire with or aid, assist, or abet any other person in the commission of any corrupt act or practice, including but not limited to:

1. The giving, offering, promising, accepting, soliciting or receiving, directly or indirectly, any gratuity or bribe in any form to any person having duties in relation to any race or race horse or to any trainer, jockey, starter, assistant starter, gatekeeper or agent or to any other person having charge of, or access to, any race horse; or

2. The passing or attempting to pass or the cashing or attempting to cash any altered or fraudulent pari-mutuel ticket; or

3. The unauthorized sale or the attempt to make an unauthorized sale of any racetrack admission ticket.

B. Any person who is convicted of violating the provisions of subsection A of this section shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be

imprisoned for a period of not more than ten (10) years or both said fine and imprisonment.

C. If any person who is convicted of violating the provisions of subsection A of this section is licensed pursuant to the provisions of the Oklahoma Horse Racing Act, Section 200 et seq. of this title, the Commission shall suspend or revoke the organization or occupation license of the person in addition to the penalty and fine imposed in subsection B of this section.

Added by Laws 1983, c. 11, § 34, emerg. eff. March 22, 1983. Amended by Laws 1990, c. 275, § 2, emerg. eff. May 25, 1990; Laws 1997, c. 133, § 115, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 48, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 115 from July 1, 1998, to July 1, 1999.

§3A-208.9. Compensation for wagering prohibited - Penalties.

No person shall directly or indirectly, for any type of compensation including but not limited to fees, dues, or donations, accept anything of value from another to be transmitted or delivered for wager in any pari-mutuel system of wagering on horse races or collect a wager in any pari-mutuel system of wagering on horse races. Nothing in this section prohibits wagering transactions authorized pursuant to the provisions of the Oklahoma Horse Racing Act. Any person that violates the provisions of this section, upon conviction, shall be guilty of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years or both said fine and imprisonment.

Added by Laws 1983, c. 11, § 35, emerg. eff. March 22, 1983. Amended by Laws 1990, c. 275, § 3, emerg. eff. May 25, 1990; Laws 1997, c. 133, § 116, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 49, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 116 from July 1, 1998, to July 1, 1999.

§3A-208.10. Fraud regarding prior racing record, pedigree, identity or ownership of registered animal.

It shall be unlawful for any person to falsify, conceal, or cover up by any trick, scheme, or device a material fact, or make any false, fictitious, or fraudulent statements or representations, or make or use any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry regarding the prior racing record, pedigree, identity or ownership of a registered animal in any matter related to the breeding, buying, selling, or racing of such animal. Whoever violates any provision of this section shall be guilty of a felony and fined not more than Ten Thousand Dollars (\$10,000.00) or imprisoned for not more than ten (10) years, or be both so fined and imprisoned.

Added by Laws 1985, c. 196, § 10, emerg. eff. June 26, 1985. Amended by Laws 1997, c. 133, § 117, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 50, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 117 from July 1, 1998, to July 1, 1999.

§3A-208.11. Administration of drugs or medications - Determination by rule - Penalties.

A. Except as provided in subsection B of this section, the Oklahoma Horse Racing Commission is hereby authorized to determine by rule which drugs and medications, if any, may be administered to a horse prior to or during a horse race and to determine by rule the conditions under which such drugs and medications may be used or administered.

B. All horses participating in a horse race may be administered Furosemide prior to a horse race as authorized by the rules of the Oklahoma Horse Racing Commission.

C. The administration of any drug or medication to a horse prior to or during a horse race which is not permitted by rule of the Commission is prohibited.

D. Any person who violates the provisions of this section or who knowingly enters in a race a horse to which any drug or medication has been administered in violation of this section shall be guilty, upon conviction, of a felony and shall be fined not more than Ten Thousand Dollars (\$10,000.00) or be imprisoned for a period of not more than ten (10) years, or by both said fine and imprisonment. The Commission shall suspend or revoke the license of any such guilty party.

Added by Laws 1993, c. 85, § 1, eff. Sept. 1, 1993. Amended by Laws 1997, c. 133, § 118, eff. July 1, 1999; Laws 1999, 1st Ex. Sess., c. 5, § 51, eff. July 1, 1999; Laws 2003, c. 48, § 1, emerg. eff. April 7, 2003; Laws 2004, c. 517, § 2, emerg. eff. June 9, 2004.

NOTE: Laws 1998, 1st Ex. Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 118 from July 1, 1998, to July 1, 1999.

§3A-208.12. Gaming areas not subject to certain smoking prohibitions - Requirements.

The gaming areas of the premises of an organization licensee and, except for the off-track wagering facilities specified in Section 205.6a of Title 3A of the Oklahoma Statutes, the areas where simulcast wagering is conducted by an organization licensee shall not be subject to the provisions of Section 1247 of Title 21 of the Oklahoma Statutes or to the provisions of the Smoking in Public Places and Indoor Workplaces Act if the following conditions are met:

1. Each gaming or simulcast area in which smoking is permitted shall be fully enclosed, directly exhausted to the outside, under negative air pressure so smoke cannot escape to nonsmoking areas when

a door is opened, and no air from a smoking area is recirculated to nonsmoking areas of the building; and

2. No exhaust from such gaming or simulcast area shall be located within twenty-five (25) feet of any entrance, exit, or air intake.

Added by Laws 2004, c. 517, § 3, emerg. eff. June 9, 2004.

§3A-208.13. Horsemen's Bookkeeper - Records.

A. Each organization licensee shall utilize a Horsemen's Bookkeeper who shall, at a minimum, maintain the records and accounts prescribed in this section or in the rules of the Oklahoma Horse Racing Commission. The Horsemen's Bookkeeper may be an employee of the organization licensee, may be employed jointly by two or more organization licensees, or may be an entity which contracts with one or more organization licensees.

B. The records of the Horsemen's Bookkeeper shall include the following:

1. The name, mailing address, social security number or federal tax identification number, and the state or country of residence of each horse owner, trainer, and jockey participating at a race meeting who has funds due or on deposit in a horsemen's account; and

2. All statements of partnerships, syndicates, corporations, assignments of interest, lease agreements, and registrations of authorized agents.

C. All records of the Horsemen's Bookkeeper shall be kept separate from the records of the organization licensee or licensees.

D. All funds on account with the Horsemen's Bookkeeper shall be maintained as follows:

1. In one or more trust accounts which are separate from all accounts of the organization licensee with each designated as a "Horsemen's Trust Account"; and

2. In trust accounts which are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

E. 1. The Horsemen's Bookkeeper shall receive, maintain, and disburse the purses of each race and all stakes, entrance money, jockey fees, purchase money in claiming races, along with all applicable taxes and other monies that properly come into the possession of the Horsemen's Bookkeeper.

2. All disbursements pursuant to this subsection shall be made within forty-eight (48) hours of approval by the stewards unless a protest or appeal has been filed with the stewards or the Commission, except that minimum jockey mount fees may be disbursed prior to such approval. All disbursements subject to a protest or appeal shall be made within forty-eight (48) hours of receipt of a dismissal or a final non-appealable order disposing of such protest or appeal.

3. Except as otherwise provided in this subsection and in the absence of a prior request, all disbursements pursuant to this subsection shall be made within fifteen (15) days after the last race day of the race meeting. Disbursements made by the Horsemen's Bookkeeper for an amount less than Fifty Dollars (\$50.00) and which remain uncashed after a period of not less than three (3) years may be canceled by the Horsemen's Bookkeeper with the approval of the official horsemen's representative organization and the Oklahoma Horse Racing Commission provided the funds are credited back for use as a payment of purses for participating horses of the same breed.

F. The Horsemen's Bookkeeper may accept, hold, and pay monies due and belonging to other organizations, licensees, or meetings; provided, prompt payment or return shall be made to the person or entity to which it is due.

G. All records of the Horsemen's Bookkeeper shall be subject to inspection and audit by the Commission at any time.

H. The Horsemen's Bookkeeper and the organization licensee or licensees employing the Horsemen's Bookkeeper shall be subject to disciplinary action by the Commission.

I. The Horsemen's Bookkeeper, each organization licensee employing the Horsemen's Bookkeeper, and the managing officers of each organization licensee employing the Horsemen's Bookkeeper, shall be jointly and severally responsible to ensure that the amounts retained from the pari-mutuel handle are distributed according to the Oklahoma Horse Racing Act and the orders and rules of the Commission. Added by Laws 2010, c. 340, § 5, eff. Nov. 1, 2010. Amended by Laws 2014, c. 27, § 1, eff. Nov. 1, 2014.

§3A-209. County option.

No pari-mutuel racetrack shall be licensed in any county unless the majority of the voters of said county, voting at an election held for that purpose, approve the conducting of pari-mutuel horse racing in said county. An election shall be called upon the filing of a petition with the county election board containing not less than ten percent (10%) of the qualified voters within any such county. Added by State Question No. 553, Initiative Petition No. 315, adopted at election held Sept. 21, 1982.

§3A-210. Repealed by Laws 1983, c. 11, § 38.

§3A-211. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-212. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-213. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-214. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-215. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-216. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-217. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

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§3A-219. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-220. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-221. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-222. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-223. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-224. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-225. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-226. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-227. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-228. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-229. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-230. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-231. Repealed by Laws 2004, c. 316, § 26, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-240. Enactment of compact - Provisions.

The Interstate Compact on Licensure of Participants in Live Horse Racing with Pari-mutuel Wagering is hereby entered into on behalf of the State of Oklahoma. The Compact provides as follows:

INTERSTATE COMPACT ON LICENSURE OF PARTICIPANTS IN LIVE HORSE RACING
WITH PARI-MUTUEL WAGERING
ARTICLE I. PURPOSES

The purposes of this compact are to:

1. Establish uniform requirements among the party states for the licensing of participants in live horse racing with pari-mutuel wagering, and ensure that all such participants who are licensed pursuant to this compact meet a uniform minimum standard of honesty and integrity;

2. Facilitate the growth of the horse racing industry in each party state and nationwide by simplifying the process for licensing

participants in live racing, and reduce the duplicative and costly process of separate licensing by the regulatory agency in each state that conducts live horse racing and pari-mutuel wagering;

3. Authorize the Oklahoma Horse Racing Commission to participate in this compact;

4. Provide for participation in this compact by officials of the party states, and permit those officials, through the compact committee established by this compact, to enter into contracts with governmental agencies and nongovernmental persons to carry out the purposes of this compact; and

5. Establish the compact committee created by this compact as an interstate governmental entity duly authorized to request and receive criminal history record information from the Federal Bureau of Investigation and other state and local law enforcement agencies.

ARTICLE II. DEFINITIONS

As used in this compact:

1. "Compact committee" means the organization of officials from the party states that is authorized and empowered by this compact to carry out the purposes of this compact;

2. "Official" means the appointed, elected, designated, or otherwise duly selected member of a racing commission or the equivalent thereof in a party state who represents that party state as a member of the compact committee;

3. "Participants in live racing" means participants in live horse racing with pari-mutuel wagering in the party states;

4. "Party state" means each state that has entered this compact; and

5. "State" means each of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and each territory or possession of the United States.

ARTICLE III. ENTRY INTO FORCE, ELIGIBLE PARTIES, AND WITHDRAWAL

A. This compact shall come into force when enacted by any four states. Thereafter, this compact shall become effective as to any other state upon the enactment of this compact by the state and the affirmative vote of a majority of the officials on the compact committee.

B. Any state that has adopted or authorized horse racing with pari-mutuel wagering shall be eligible to become party to this compact.

C. Any party state may withdraw from this compact by enacting a statute repealing this compact, but no such withdrawal shall become effective until the head of the executive branch of the withdrawing state has given notice in writing of such withdrawal to the head of the executive branch of all other party states. If as a result of withdrawals participation in this compact decreases to less than three party states, this compact no longer shall be in force and

effect unless and until there are at least three or more party states again participating in this compact.

ARTICLE IV. COMPACT COMMITTEE

A. There is hereby created an interstate governmental entity to be known as the "compact committee", which shall be comprised of one official from the racing commission or its equivalent in each party state who shall be appointed, serve, and be subject to removal in accordance with the laws of the party state the official represents. Pursuant to the laws of the party state, each official shall have the assistance of the racing commission of the state or the equivalent thereof in considering issues related to licensing of participants in live racing and in fulfilling the responsibilities as the representative from the state of the official to the compact committee. If an official is unable to perform any duty in connection with the powers and duties of the compact committee, the racing commission or equivalent thereof from the state shall designate another of its members as an alternate who shall serve and represent the party state as its official on the compact committee until that racing commission or equivalent thereof determines that the original representative official is able once again to perform the duties as that party state's representative official on the compact committee. The designation of an alternate shall be communicated by the affected state's racing commission or equivalent thereof to the compact committee as the committee's bylaws may provide.

B. In order to carry out the purposes of this compact, the compact committee is hereby granted the power and duty to:

1. Determine which categories of participants in live racing, including but not limited to owners, trainers, jockeys, grooms, mutuel clerks, racing officials, veterinarians, and farriers, should be licensed by the committee, and establish the requirements for the initial licensure of applicants in each such category, the term of the license for each category, and the requirements for renewal of licenses in each category. However, with regard to requests for criminal history record information on each applicant for a license, and with regard to the effect of a criminal record on the issuance or renewal of a license, the compact committee shall determine for each category of participants in live racing which licensure requirements for that category are, in its judgment, the most restrictive licensure requirements of any party state for that category and shall adopt licensure requirements for that category that are, in its judgment, comparable to those most restrictive requirements;

2. Investigate applicants for a license from the compact committee and, as permitted by federal and state law, gather information on such applicants, including criminal history record information from the Federal Bureau of Investigation and relevant state and local law enforcement agencies, and, where appropriate,

from the Royal Canadian Mounted Police and law enforcement agencies of other countries, necessary to determine whether a license should be issued under the licensure requirements established by the committee as provided in paragraph 1 of this subsection. Only officials on, and employees of, the compact committee may receive and review such criminal history record information, and those officials and employees may use that information only for the purposes of this compact. No such official or employee may disclose or disseminate such information to any person or entity other than another official on or employee of the compact committee. The fingerprints of each applicant for a license from the compact committee shall be taken by the compact committee, its employees, or its designee and, pursuant to Public Law 92-544 or Public Law 100-413, shall be forwarded to a state identification bureau, or to the Association of Racing Commissioners, International, an association of state officials regulating pari-mutuel wagering designated by the Attorney General of the United States, for submission to the Federal Bureau of Investigation for a criminal history record check. Such fingerprints may be submitted on a fingerprint card or by electronic or other means authorized by the Federal Bureau of Investigation or other receiving law enforcement agency;

3. Issue licenses to, and renew the licenses of, participants in live racing listed in paragraph 1 of this subsection who are found by the committee to have met the licensure and renewal requirements established by the committee. The compact committee shall not have the power or authority to deny a license. If it determines that an applicant will not be eligible for the issuance or renewal of a compact committee license, the compact committee shall notify the applicant that it will not be able to process the application further. Such notification does not constitute and shall not be considered to be the denial of a license. Any such applicant shall have the right to present additional evidence to, and to be heard by, the compact committee, but the final decision on issuance or renewal of the license shall be made by the compact committee using the requirements established pursuant to paragraph 1 of this subsection;

4. Enter into contracts or agreements with governmental agencies and with nongovernmental persons to provide personal services for its activities and such other services as may be necessary to effectuate the purposes of this compact;

5. Create, appoint, and abolish those offices, employments, and positions, including an executive director, as it deems necessary for the purposes of this compact, prescribe their powers, duties, and qualifications, hire persons to fill those offices, employments, and positions, and provide for the removal, term, tenure, compensation, fringe benefits, retirement benefits, and other conditions of employment of its officers, employees, and other positions;

6. Borrow, accept, or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association, corporation, or other entity;

7. Acquire, hold, and dispose of real and personal property by gift, purchase, lease, license, or in other similar manner, in furtherance of the purposes of this compact;

8. Charge a fee to each applicant for an initial license or renewal of a license; and

9. Receive other funds through gifts, grants, and appropriations.

C. Each official shall be entitled to one vote on the compact committee.

D. All action taken by the compact committee with regard to the addition of party states, the licensure of participants in live racing, and the receipt and disbursement of funds shall require a majority vote of the total number of officials or their alternates on the committee. All other action by the compact committee shall require a majority vote of those officials or their alternates present and voting.

E. No action of the compact committee may be taken unless a quorum is present. A majority of the officials or their alternates on the compact committee shall constitute a quorum.

F. The compact committee shall elect annually from among its members a chair, a vice-chair, and a secretary/treasurer.

G. The compact committee shall adopt bylaws for the conduct of its business by a two-thirds vote of the total number of officials or their alternates on the committee at that time and shall have the power by the same vote to amend and rescind these bylaws. The committee shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendments thereto with the Secretary of State or equivalent agency of each of the party states.

H. The compact committee may delegate the day-to-day management and administration of its duties and responsibilities to an executive director and support staff.

I. Employees of the compact committee shall be considered governmental employees.

J. No official of a party state or employee of the compact committee shall be held personally liable for any good-faith act or omission that occurs during the performance and within the scope of responsibilities and duties under this compact.

ARTICLE V. RIGHTS AND RESPONSIBILITIES OF EACH PARTY STATE

A. By enacting this compact, each party state:

1. Agrees to accept the decisions of the compact committee regarding the issuance of compact committee licenses to participants in live racing pursuant to the committee's licensure requirements,

and agrees to reimburse or otherwise pay the expenses of its official representative on the compact committee or an alternate;

2. Agrees not to treat a notification to an applicant by the compact committee that the compact committee will not be able to process the application further as the denial of a license, or to penalize such an applicant in any other way based solely on such a decision by the compact committee; and

3. Reserves the right to charge a fee for the use of a compact committee license in that state, to apply its own standards in determining whether, on the facts of a particular case, a compact committee license should be suspended or revoked, to apply its own standards in determining licensure eligibility, under the laws of that party state, for categories of participants in live racing that the compact committee determines not to license and for individual participants in live racing who do not meet the licensure requirements of the compact committee, and to establish its own licensure standards for the licensure of nonracing employees at horse racetracks and employees at separate satellite wagering facilities. Any party state that suspends or revokes a compact committee license shall, through its racing commission or the equivalent thereof or otherwise, promptly notify the compact committee of that suspension or revocation.

B. No party state shall be held liable for the debts or other financial obligations incurred by the compact committee.

ARTICLE VI. CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate its purposes. The provisions of this compact shall be severable, and, if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the Constitution of the United States or of any party state, or the applicability of this compact to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If all or some portion of this compact is held to be contrary to the constitution of any party state, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

Added by Laws 2007, c. 158, § 1, eff. Nov. 1, 2007.

§3A-251. Local rodeo committees - Acceptance of local entries.

A local rodeo committee may accept a local entry for participation in a professionally sanctioned rodeo sponsored by such committee.

Added by Laws 1996, c. 176, § 4, emerg. eff. May 14, 1996.

§3A-261. Short title.

This act shall be known and may be cited as the "State-Tribal Gaming Act".

Added by Laws 2004, c. 316, § 2, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-262. Authorized gaming licenses.

A. If at least four Indian tribes enter into the model tribal-state compact set forth in Section 281 of this title, and such compacts are approved by the Secretary of the Interior and notice of such approval is published in the Federal Register, the Oklahoma Horse Racing Commission ("Commission") shall license organization licensees which are licensed pursuant to Section 205.2 of this title to conduct authorized gaming as that term is defined by this act pursuant to this act utilizing gaming machines or devices authorized by this act subject to the limitations of subsection C of this section. No fair association or organization licensed pursuant to Section 208.2 of this title or a city, town or municipality incorporated or otherwise, or an instrumentality thereof, may conduct authorized gaming as that term is defined by this act.

Notwithstanding the provisions of Sections 941 through 988 of Title 21 of the Oklahoma Statutes, the conducting of and participation in gaming in accordance with the provisions of this act or the model compact set forth in Section 281 of this title is lawful and shall not be subject to any criminal penalties. Provided further, a licensed manufacturer or distributor licensed pursuant to this act may manufacture, exhibit or store as a lawful activity any machines or devices which are capable of being used to conduct the following types of gaming:

1. Gaming authorized by the State-Tribal Gaming Act; or
2. Other gaming which may be lawfully conducted by an Indian tribe in this state.

B. Except for Christmas Day, authorized gaming may only be conducted by an organization licensee on days when the licensee is either conducting live racing or is accepting wagers on simulcast races at the licensee's racing facilities. Authorized gaming may only be conducted by organization licensees at enclosure locations where live racing is conducted. Under no circumstances shall authorized gaming be conducted by an organization licensee at any facility outside the organization licensee's racing enclosure. No person who would not be eligible to be a patron of a pari-mutuel system of wagering pursuant to the provisions of subsection B of Section 208.4 of this title shall be admitted into any area of a facility when authorized games are played nor be permitted to operate, or obtain a prize from, or in connection with, the operation of any authorized game, directly or indirectly.

C. In order to encourage the growth, sustenance and development of live horse racing in this state and of the state's agriculture and

horse industries, the Commission is hereby authorized to issue licenses to conduct authorized gaming to no more than three organization licensees operating racetrack locations at which horse race meetings with pari-mutuel wagering, as authorized by the Commission pursuant to the provisions of this title, occurred in calendar year 2001, as follows:

1. An organization licensee operating a racetrack location at which an organization licensee is licensed to conduct a race meeting pursuant to the provisions of Section 205.2 of this title located in a county with a population exceeding six hundred thousand (600,000) persons, according to the most recent Federal Decennial Census, shall be licensed to operate not more than six hundred fifty (650) player terminals in any year. Beginning with the third year after an organization licensee is licensed pursuant to this paragraph to operate such player terminals, such licensee may be licensed to operate an additional fifty (50) player terminals. Beginning with the fifth year after an organization licensee is licensed pursuant to this paragraph to operate such player terminals, such licensee may be licensed to operate a further additional fifty (50) player terminals; and

2. Two organization licensees operating racetrack locations at which the organization licensees are licensed to conduct race meetings pursuant to the provisions of Section 205.2 of this title located in counties with populations not exceeding four hundred thousand (400,000) persons, according to the most recent Federal Decennial Census, may each be licensed to operate not more than two hundred fifty (250) player terminals in any year.

Subject to the limitations on the number of player terminals permitted to each organization licensee, an organization licensee may utilize electronic amusement games as defined in this act, electronic bonanza-style bingo games as defined in this act and electronic instant bingo games as defined in this act, and any type of gaming machine or device that is specifically allowed by law and that an Indian tribe in this state is authorized to utilize pursuant to a compact entered into between the state and the tribe in accordance with the provisions of the Indian Gaming Regulatory Act and any other machine or device that an Indian tribe in this state is lawfully permitted to operate pursuant to the Indian Gaming Regulatory Act, referred to collectively as "authorized games". An organization licensee's utilization of such machines or devices shall be subject to the regulatory control and supervision of the Commission; provided, the Commission shall have no role in oversight and regulation of gaming conducted by a tribe subject to a compact. The Commission shall promulgate rules to regulate the operation and use of authorized gaming by organization licensees. In promulgating such rules, the Commission shall consider the provisions of any compact which authorizes electronic gaming which is specifically authorized

by law by an Indian tribe. For the purpose of paragraphs 1 and 2 of this subsection, the number of player terminals in an authorized game that permits multiple players shall be determined by the maximum number of players that can participate in that game at any given time; provided, however, that nothing in this act prohibits the linking of player terminals for progressive jackpots, so long as the limitations on the number of permitted player terminals at each organization licensee are not exceeded. Each organization licensee shall keep a record of, and shall report at least quarterly to the Oklahoma Horse Racing Commission, the number of games authorized by this section utilized in the organization licensee's facility, by the name or type of each and its identifying number.

D. No zoning or other local ordinance may be adopted or amended by a political subdivision where an organization licensee conducts live horse racing with the intent to restrict or prohibit an organization licensee's right to conduct authorized gaming at such location.

E. For purposes of this act, "adjusted gross revenues" means the total receipts received by an organization licensee from the play of all authorized gaming minus all monetary payouts.

F. The Oklahoma Horse Racing Commission shall promulgate rules to regulate, implement and enforce the provisions of this act with regard to the conduct of authorized gaming by organization licensees; provided, regulation and oversight of games covered by a compact and operated by an Indian tribe shall be conducted solely pursuant to the requirements of the compact.

G. If an organization licensee operates or attempts to operate more player terminals which offer authorized games than it is authorized to offer to the public by this act or the terms of its license, upon written notice from the Commission, such activity shall cease forthwith. Such activity shall constitute a basis upon which the Commission may suspend or revoke the licensee's license. The Commission shall promulgate any rules and regulations necessary to enforce the provisions of this subsection.

H. This act is game-specific and shall not be construed to allow the operation of any other form of gaming unless specifically allowed by this act. This act shall not permit the operation of slot machines, house-banked card games, house-banked table games involving dice or roulette wheels, or games where winners are determined by the outcome of a sports contest.

Added by Laws 2004, c. 316, § 3, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

Amended by Laws 2005, c. 222, § 1, emerg. eff. May 25, 2005; Laws 2007, c. 158, § 2, eff. Nov. 1, 2007; Laws 2017, c. 115, § 1, eff. July 1, 2017; Laws 2018, c. 11, § 1.

§3A-262.1. Occupation gaming licenses - Independent testing laboratory license.

A. The Oklahoma Horse Racing Commission shall issue occupation gaming licenses to manufacturer, distributor, manufacturer/distributor, vendor, manufacturer's employee, distributor's employee, manufacturer/distributor's employee, key executive, vendor employee, gaming employee and such other personnel designated by the Commission whose work, in whole or in part, is conducted at a gaming facility upon racetrack grounds which are owned by an organization licensee. The occupation gaming licenses shall be obtained prior to the time such persons engage in their vocations at the gaming facility upon such racetrack grounds at any time during the calendar year for which the Racetrack Gaming Operator License has been issued. No person required to be licensed pursuant to the provisions of this section may participate in any capacity at a gaming facility at a racetrack without a valid license authorizing such participation.

B. The activities authorized by the occupation gaming licenses issued pursuant to this section are as follows:

(1) Manufacturer License, which authorizes the approved licensee to manufacture, fabricate, assemble, produce, program, refurbish, or make modification to any gaming machine or device, authorized game, or associated equipment in accordance with the State-Tribal Gaming Act and Commission rules;

(2) Distributor License, which authorizes the approved nonmanufacturer to lease, sell, distribute or market any gaming machine, associated equipment, game program or program storage device in Oklahoma or outside the state in accordance with the State-Tribal Gaming Act and Commission rules;

(3) Manufacturer/Distributor License, which authorizes the approved licensee to manufacture, fabricate, assemble, produce, refurbish, lease, sell, distribute, market or make modifications to any gaming machine, associated equipment, game program or program storage device in Oklahoma or outside the state in accordance with the State-Tribal Gaming Act and Commission rules;

(4) Vendor License, which authorizes a vendor, not licensed as a manufacturer, distributor, or manufacturer/distributor, that conducts operations on-site at a racetrack gaming facility to sell or lease goods and/or services to racetrack gaming operators;

(5) Manufacturer's Employee License, which authorizes the approved licensee to be an employee of a manufacturer who supplies gaming-related goods and/or services to the racetrack gaming operator on-site at the gaming facility;

(6) Distributor's Employee License, which authorizes the approved licensee to be an employee of a distributor who supplies gaming-related goods and/or services to the racetrack gaming operator on-site at the gaming facility;

(7) Manufacturer/Distributor's Employee License, which authorizes the approved licensee to be an employee of a manufacturer/distributor who supplies gaming-related goods and/or services to the racetrack gaming operator on-site at the gaming facility;

(8) Key Executive License, which authorizes the recipient to be employed as a key executive;

(9) Vendor Employee License, which authorizes any employee to work for a licensed vendor and supply goods and/or services on-site at the gaming facility;

(10) Gaming Employee License, which authorizes the recipient to be employed as a gaming employee; and

(11) Gaming Machine or Device License, which authorizes the racetrack gaming operator to use or have a gaming machine or device on the racetrack premises.

None of these gaming licenses may be transferred, sold, or assigned.

C. Testing laboratories that wish to function as a Commission-approved independent testing laboratory must apply to be issued an Independent Testing Laboratory License. The application must be accompanied by the required application fee and an investigation fee in an amount equal to one-half of the license fee. The application fee shall be Five Thousand Dollars (\$5,000.00).

Added by Laws 2005, c. 148, § 2 emerg. eff. May 9, 2005.

§3A-263. Distributions and payments by licensees.

A. Each organization licensee described in paragraph 2 of subsection C of Section 262 of this title shall distribute from the first Ten Million Dollars (\$10,000,000.00) of adjusted gross revenues generated by any gaming conducted pursuant to this act as follows:

1. Ten percent (10%) shall be remitted to the Oklahoma Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Twenty-five percent (25%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving

Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Sixty-five percent (65%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

B. The organization licensee described in paragraph 1 of subsection C of Section 262 of this title shall distribute from the first Ten Million Dollars (\$10,000,000.00) of adjusted gross revenues generated by any gaming conducted pursuant to this act as follows:

1. Ten percent (10%) shall be remitted to the Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Thirty percent (30%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Sixty percent (60%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

C. Each organization licensee shall distribute from retained adjusted gross revenues in excess of Ten Million Dollars (\$10,000,000.00) per calendar year but not to exceed Thirty Million Dollars (\$30,000,000.00) per calendar year generated from any gaming conducted pursuant to this act as follows:

1. Ten percent (10%) shall be remitted to the Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be

apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Thirty percent (30%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Sixty percent (60%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

D. Each organization licensee shall distribute from retained adjusted gross revenues in excess of Thirty Million Dollars (\$30,000,000.00) per calendar year but not to exceed Forty Million Dollars (\$40,000,000.00) per calendar year generated by any gaming conducted pursuant to this act as follows:

1. Fifteen percent (15%) shall be remitted to the Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Thirty percent (30%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Fifty-five percent (55%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

E. Each organization licensee shall distribute from retained adjusted gross revenues in excess of Forty Million Dollars (\$40,000,000.00) per calendar year but not to exceed Fifty Million

Dollars (\$50,000,000.00) per calendar year generated from any gaming conducted pursuant to this act as follows:

1. Twenty percent (20%) shall be remitted to the Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Twenty-five percent (25%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Fifty-five percent (55%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

F. Each organization licensee shall distribute from retained adjusted gross revenues in excess of Fifty Million Dollars (\$50,000,000.00) per calendar year but not to exceed Seventy Million Dollars (\$70,000,000.00) per calendar year generated from any gaming conducted pursuant to this act as follows:

1. Twenty-five percent (25%) shall be remitted to the Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing

Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Twenty-two and one-half percent (22 1/2%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Fifty-two and one-half percent (52 1/2%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

G. Each organization licensee shall distribute from retained adjusted gross revenues in excess of Seventy Million Dollars (\$70,000,000.00) per calendar year generated from any gaming conducted pursuant to this act as follows:

1. Thirty percent (30%) shall be remitted to the Tax Commission on the fifteenth day following the end of the month in which it was retained. Prior to July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the Oklahoma Higher Learning Access Trust Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund. On or after July 1, 2008, twelve percent (12%) of the revenue derived pursuant to this paragraph shall be apportioned monthly to the General Revenue Fund and eighty-eight percent (88%) of such revenue shall be apportioned to the Education Reform Revolving Fund;

2. No less than one-half of one percent (0.5%) and no more than three percent (3%) shall be apportioned, according to the requirements of Section 2 of this act, to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund on the fifteenth day following the end of the month in which the revenue was collected;

3. Twenty percent (20%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee to be distributed according to subsection H of this section; and

4. Fifty percent (50%) less the adjusted gross revenue derived from one-half (1/2) of the Operational Expenses Revolving Fund Retention Percentage shall be retained by the organization licensee.

H. Each organization licensee shall remit, on the fifteenth day following the end of the month in which they were retained, an amount equal to nine percent (9%) of the funds generated pursuant to paragraph 3 of subsections A through G of this section to the Oklahoma Horse Racing Commission for deposit in the Oklahoma Breeding Development Fund Special Account pursuant to Section 208.3 of this title, to be distributed to the participating breeds as provided in paragraphs 1 and 2 of this subsection.

Each organization licensee shall remit to the official horsemen's organization representing participating horsemen during the live race meets, on the fifteenth day following the end of the month in which they were retained, an amount equal to one and five-tenths percent (1.5%) of the funds generated pursuant to paragraph 3 of subsections A through G of this section on a pro rata basis based on the distribution of purse funds available to the breeds of horses participating in the live race meetings with one percent (1%) to be used for administrative expenses and five-tenths of one percent (0.5%) to provide funding for a benevolence program at each racetrack to benefit participating horsemen and their employees. Such benevolence program shall provide medical benefits or services to persons associated with the horse racing industry who are in financial need.

Each organization licensee shall remit to the breed organizations designated by the official horsemen's representative, on the fifteenth day following the end of the month in which they were retained, an amount equal to one percent (1%) of the funds generated pursuant to paragraph 3 of subsections A through G of this section on a pro rata basis based on the distribution of purse funds available to the breeds of horses participating in the live race meetings for funding to support the breed organizations dedicated to the promotion of breeding and racing horses in Oklahoma.

Subject to the provisions of subsection I of this section, the remainder of the funds generated pursuant to paragraph 3 of subsections A through G of this section shall be distributed by the organization licensee as purses for participating horses as follows:

1. For organization licensees that conduct one or more race meetings dedicated to Thoroughbred racing and one or more race meetings dedicated to Quarter Horse, Paint and Appaloosa horse racing, fifty percent (50%) to purses for Thoroughbred races, forty-five percent (45%) to purses for Quarter Horse races, and five percent (5%) to purses for Paint and Appaloosa races; and

2. For all other organization licensees, forty-five percent (45%) to purses for Thoroughbred races, forty-five percent (45%) to purses for Quarter Horse races and ten percent (10%) to purses for Paint and Appaloosa horse races.

- I. The percentage of purse money generated by an organization licensee that is designated for deposit to the Oklahoma Breeding Development Fund Special Account pursuant to subsection H of this section may be increased by an additional percentage that shall not exceed thirty-three percent (33%) of the total funds for participating horsemen upon the written application of the official horsemen's representative for each of the breeds of horses participating in a race meeting at the track.

All Oklahoma Breeding Development Fund Special Account monies generated pursuant to this section shall not be subject to a

reduction pursuant to paragraph 7 of subsection B of Section 208.3 of this title.

J. An organization licensee's annual application for race dates shall include any existing agreement between the organization licensee and the official horsemen's representative for each breed participating in the live racing meeting at that track which sets forth the thresholds whereby the minimum number of races will increase or decrease during that calendar year.

K. For purposes of this act a "recipient licensee" means an organization licensee operating a racetrack location at which an organization licensee is licensed to conduct a race meeting pursuant to the provisions of Section 208.2 of this title located in a county with a population exceeding five hundred thousand (500,000) persons, according to the most recent Federal Decennial Census, and a "participating tribe" means a tribe which operates a gaming facility within a radius of twenty (20) miles from the enclosure of a recipient licensee pursuant to a compact set forth in Section 281 of this title. Such compact shall require that a participating tribe contribute a percentage of its "monthly average take" from electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games (hereinafter referred to collectively as "electronic covered games") as defined in that tribe's Gaming Compact as long as the prohibition against fair associations or organizations licensed pursuant to Section 208.2 of this title conducting authorized gaming under this act as set forth in subsection A of Section 262 of this title remains in effect. Participating tribes shall make contributions in accordance with the following requirements:

1. Each participating tribe shall calculate its monthly average take for electronic covered games for each calendar month of operation of electronic covered games. For purposes of this paragraph, the "monthly average take" shall mean all adjusted gross revenue from electronic covered games at the tribal gaming facilities that are located within a radius of twenty (20) miles from the enclosure of a recipient licensee during the applicable calendar month, divided by the number of electronic covered games operated by the tribe at the gaming facility during the applicable calendar month;

2. Each participating tribe shall calculate its pro rata share of the payments required by this subsection, based on the number of electronic covered games in the tribal gaming facilities within the twenty-mile radius described in paragraph 1 of this subsection, during the applicable calendar month ("tribal share"). As an example only, if three (3) tribes participate in this subsection during a calendar month, and have the respective number of games in the amount of 500, 1,000, and 1,000, then the payments called for in paragraph 3 of this subsection would be multiplied by twenty percent (20%), forty

percent (40%) and forty percent (40%) to determine each tribe's pro rata share; and

3. Each participating tribe shall make the following payments no later than the fifteenth day following the end of the applicable calendar month, with the first payment to be due no later than the fifteenth day following the end of the first month in which a participating tribe commences gaming operations pursuant to the compact set out in Section 281 of this title:

- a. the tribe shall pay its pro rata share of the product of 450 multiplied by .05 multiplied by the greater of Seven Thousand Four Hundred Eight Dollars (\$7,408.00) or the tribe's monthly average take for the applicable month to the recipient licensee, and
- b. the tribe shall pay its pro rata share of the product of 450 multiplied by .25 multiplied by the tribe's monthly average take for the applicable month to the Oklahoma Horse Racing Commission to be used as directed by purse committees for the following purposes:
 - (1) distributed to organization licensees for purses for participating horses,
 - (2) paid to the Oklahoma Breeding Development Fund Special Account. The amount designated for deposit into the Oklahoma Breeding Development Fund Special Account shall never be less than nine percent (9%) of the funds generated nor more than thirty-three percent (33%) of the total designated funds for horsemen participating in any race meeting, and
 - (3) paid to the official horsemen's representatives and to the breeding organizations designated by the official horsemen's representatives and to the breeding organizations designated by the official horsemen's representatives to be used to pay their administrative expenses and to fund their benevolence programs. In no event shall the amount designated for such administrative expenses exceed one percent (1%) of the funds generated nor shall the monies designated for benevolence programs exceed five-tenths of one percent (0.5%) of the funds generated.

L. The "purse committees" shall be comprised of the official elected horsemen representatives for each breed as designated in Section 267 of this title. The total contribution of the participating tribes made pursuant to subparagraph b of paragraph 3 of subsection K of this section shall be distributed as directed by the purse committees based on the following formula, to wit: fifty percent (50%) by the purse committee representing Thoroughbred

horses; forty percent (40%) by the purse committee representing Quarter Horses; and ten percent (10%) by the purse committee representing Paint and Appaloosa horses.

The purse committees shall meet at least sixty (60) days prior to the beginning of a calendar year to provide directions for placement of the purse funds described in subparagraph b of paragraph 3 of subsection K of this section with one or more organization licensees for the succeeding calendar year. In providing such directions the purse committees shall consider and attempt to achieve the following preferences in the order set forth below:

FIRST. Through the use of no more than fifty percent (50%) of the purse funds available for distribution under this section, maintaining the purse structures of any organization licensee operating a racetrack location located in a county with a population exceeding six hundred thousand (600,000) persons, according to the most recent federal decennial census, at a level that is competitive with the purse structures of similarly situated racetracks, including those in surrounding states, and that will encourage the participation by horsemen in that organization licensee's race meet or meets; and

SECOND. Maintaining the purse structures of the organization licensee closest in geographic proximity to the location where the purse funds described in subparagraph b of paragraph 3 of subsection K of this section were generated at a level that is competitive with the purse structures of similarly situated racetracks, including those in surrounding states, and that will encourage the participation by horsemen in that organization licensee's race meet or meets; and

THIRD. Maintaining the purse structures of the remaining organization licensees in the state at a level that will encourage the participation by horsemen in those organization licensees' race meet or meets.

M. Organization licensees shall keep accurate books and records of all revenue generated by any gaming conducted pursuant to the State-Tribal Gaming Act and of the taxes paid pursuant to the provisions of this section. The Oklahoma Tax Commission or an authorized representative shall have access at all reasonable times to such records for the purpose of examining and checking the records and ascertaining whether the proper amount of taxes is being paid. The Oklahoma Tax Commission shall require verified reports and a statement of the total of all revenue generated by any gaming conducted by an organization licensee pursuant to the provisions of the State-Tribal Gaming Act.

N. The Oklahoma Horse Racing Commission is hereby authorized to provide repayment of amounts collected pursuant to paragraph 2 of subsections A through G of this section on a pro rata basis to be

paid from the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund.

Added by Laws 2004, c. 316, § 4, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

Amended by Laws 2007, c. 355, § 1, emerg. eff. June 4, 2007; Laws 2008, c. 31, § 1, emerg. eff. April 11, 2008; Laws 2017, c. 116, § 6, eff. July 1, 2017.

§3A-264. Race meetings - Number required.

A. The organization licensee that is located in a county with a population of greater than six hundred thousand (600,000) according to the most recent federal decennial census shall, for each year it conducts authorized gaming:

1. Conduct annually a race meeting restricted to Thoroughbred horses that provides no fewer than six hundred (600) races for Thoroughbred horses; and

2. Conduct annually a race meeting restricted to Quarter Horse, Paint and Appaloosa horses that provides no fewer than five hundred (500) races for Quarter Horse, Paint and Appaloosa horses within a period of twelve (12) consecutive weeks.

B. Each organization licensee that is located in a county with a population of fewer than four hundred thousand (400,000) according to the most recent federal decennial census shall be required, for each year it conducts authorized gaming, to conduct annually no less than two hundred seventy (270) races for Thoroughbred horses, no fewer than two hundred seventy (270) races for Quarter Horses, and no fewer than sixty (60) races for Paint and Appaloosa horses.

C. An organization licensed pursuant to Section 208.2 of Title 3A of the Oklahoma Statutes shall in order to be eligible to receive money pursuant to the provision of subsection K in Section 4 of this act, conduct annually no less than four hundred (400) total races, which shall include conducting no fewer than an average of four (4) races per day for Thoroughbred horses.

D. Notwithstanding the provisions of subsection H of Section 4 of this act, the Oklahoma Horse Racing Commission shall approve, upon joint application of the organization licensee and the official horsemen's representative organization that represents the horsemen for a given breed of horses participating in a given race meeting, a reduction or increase in the number of races to be conducted as prescribed in this section. Any agreed-upon change to the number of races shall include specifying the number of races to be conducted each race day and the calendar days that the races will be conducted. For purposes of any agreement entered into pursuant to this section, a race day shall be not less than seven (7) races nor more than twelve (12) races unless all of the races on a particular day are time trial races. The organization licensees and the elected horsemen's representative organization shall use their best efforts

to establish race meets with the number of races that is reasonable in light of the available purse money, the racing calendar of all organization licensees operating pursuant to this act, and the number of races run at similar facilities in surrounding markets.

E. Notwithstanding anything in this section to the contrary, the requirements set forth in this section shall become effective with the first race meeting that commences at each organization licensee following the initial six (6) months that the organization licensee commences authorized gaming as authorized by this act.

Added by Laws 2004, c. 316, § 5, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-265. Transfer of purse money - Agreements - Rescission.

A. The Oklahoma Horse Racing Commission shall approve the transfer of purse money generated for races for Thoroughbred horses, races for Quarter Horses or races for Paint and Appaloosa horses pursuant to this section, by one organization licensee to another organization licensee, upon joint application of the organization licensee generating the purse money, the organization licensee receiving the transferred purse money, and in the case of a transfer of purse money for Thoroughbred racing, the official horsemen's representative organization that represents participating horsemen at a race meeting in a county with a population exceeding six hundred thousand (600,000) persons by an organization licensee licensed pursuant to Section 205.2 of Title 3A of the Oklahoma Statutes that is restricted to Thoroughbred horses, and in the case of a transfer of purse money for Quarter Horse, Paint and Appaloosa horse racing, the official horsemen's representative organization that represents participating horsemen at a race meeting in a county with a population exceeding six hundred thousand (600,000) persons by an organization licensee licensed pursuant to Section 205.2 of Title 3A of the Oklahoma Statutes that is restricted to Quarter Horse, Paint and Appaloosa horses. Purse money transferred to one organization licensee from purse money for a particular breed of horse generated by another organization licensee shall only be used to supplement purses for that breed of horse. Notwithstanding the foregoing, any agreement for the transfer of purse money may be rescinded by order of the Commission if the Commission is petitioned by not less than two-thirds (2/3) of the licensed owners, owner/trainers and trainers of starters of a particular breed of horses during the most recently concluded meet for that breed of horses at the tracks affected by the transfer.

B. The provisions of this section shall not be applicable to any purse money generated pursuant to the provisions of subsection K of Section 4 of this act.

Added by Laws 2004, c. 316, § 6, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-266. Out-of-state full card simulcast races.

Notwithstanding the provisions of Section 205.7 of Title 3A of the Oklahoma Statutes, an organization licensee may conduct, for any year in which the organization licensee meets the requirements to conduct authorized gaming, an unlimited number of out-of-state full card simulcast races for an unlimited number of days during that calendar year. An organization which is licensed under Section 208.2 of Title 3A of the Oklahoma Statutes may also conduct an unlimited number of out-of-state full card simulcast races for an unlimited number of days, provided that such licensee conducts, in such year, no less than four hundred (400) total races, which shall include conducting no fewer than an average of four (4) races per day for Thoroughbred horses.

Added by Laws 2004, c. 316, § 7, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-267. Official representatives of Thoroughbred and non-Thoroughbred horses - Negotiations and covenants - Financial accounting.

For purposes of this act, the organization elected by horsemen that was, in 2003, providing representation for participating Thoroughbred horsemen at meets restricted to Thoroughbred horses only shall be the official representative of all Thoroughbreds participating in live race meets conducted by an organization licensee. The organization elected by horsemen that was, in 2003, providing representation for the breeds participating in mixed-breed racing shall be the official representative of all non-Thoroughbreds participating in live race meets conducted by an organization licensee.

Organization licensees shall negotiate and covenant with the official representative for each breed participating at any race meeting as to the conditions for each race meeting, the distribution of commissions and purses not governed by statutory distribution formulae, simulcast transmission and reception, off-track wagering, all matters relating to welfare, benefits and prerogatives of the participants in the meet, and any other matter required as a matter of law or necessity. During race meets at which there is more than one official representative for horsemen, each official representative association shall designate an equal number of horsemen to serve on a single committee that will periodically meet with the organization licensee to discuss and facilitate track management operations. Any participating horsemen may with written notice filed with the track's horsemen's bookkeeper elect to opt out of representation by the above-referenced organizations. In the event more than fifty percent (50%) of the total participating horsemen for a single breed opt to be excluded, the Oklahoma Horse

Racing Commission may determine that an election be held among all participating horsemen of that breed to designate an alternate representative organization.

The official horsemen's representative organizations, and any breed organizations receiving funding as a result of this act, shall provide the Commission annually with a complete financial accounting for the use of all funds received pursuant to this act. The official horsemen's representative organization shall administer the benevolence program for participants in each live race meeting and a complete accounting of those funds along with the guidelines for administration and determination of eligibility for the benevolence program are subject to approval by the Commission.

Added by Laws 2004, c. 316, § 8, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-268. Certification of electronic games - Review by Commission - Modification of electronic games.

A. No electronic game, and no component thereof, may be offered for play by an organization licensee unless it has been certified by an independent testing laboratory approved by the Oklahoma Horse Racing Commission as conforming to the standards contained in this act.

B. It is the intent and policy of the Legislature that the standards for the games provided in this act shall operate so as to permit a large number of potential vendors to compete to furnish devices to the organization licensees. If the Commission determines that such standards serve to limit competition, the Commission is authorized to adopt rules modifying such standards so as to encourage competition while preserving the basic nature of the games permitted by this act; provided, that any tribe that has entered into an effective compact pursuant to Sections 21 and 22 of this act may, pursuant to such compact, conduct any electronic bonanza-style bingo game, any electronic amusement game or any electronic instant bingo game certified as meeting the standards contained in any such Commission rules modifying the standards of the games that may be conducted by organizational licensees.

C. A prototype of any electronic game which a licensee intends to offer for play shall be tested and certified by an independent testing laboratory as meeting the standards contained in this act.

D. A licensee shall provide, or require that the manufacturer or vendor provide to the independent testing laboratory a written request as to each electronic game for which certification is sought, any fees required to be deposited by the independent testing laboratory, and, on a confidential basis: two (2) copies of the game illustrations, schematics, block diagrams, circuit analyses, technical and enterprise manuals, program object and source codes, hexadecimal dumps (the compiled computer program represented in base

16 format), and any other information requested by the independent testing laboratory. The licensee shall send copies of the requests for certification to the Commission when made and shall make all materials submitted to the independent testing laboratory available to the Commission upon request. Any materials so submitted which are designated by the manufacturer or vendor as proprietary shall remain confidential and shall not be subject to the disclosure requirements of the Oklahoma Open Records Act.

E. If requested by the independent testing laboratory, the licensee shall require the manufacturer or vendor to transport not more than two (2) working models of the electronic game for which certification is sought to a location designated by the laboratory for testing, examination or analysis. Neither the state nor the independent testing laboratory shall be liable for any costs associated with the transportation, testing, examination, or analysis, including any damage to the components of the electronic game. If requested by the independent testing laboratory, the licensee shall require the manufacturer or vendor to provide specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis. At the conclusion of each test, the independent testing laboratory shall provide to the Commission a report that contains findings, conclusions and a certification that the electronic game conforms or fails to conform to the standards contained in this act. If the independent testing laboratory determines that the device fails to conform to such standards, and if modifications can be made which would bring the electronic game into compliance, the report may contain recommendations for such modifications. The independent testing laboratory shall retest for compliance following such modifications. The independent testing laboratory shall report all findings and conclusions to the licensee, the manufacturer/vendor and the Commission, provided that at any time prior to issuance of a final report by the laboratory the licensee may instruct it to terminate the process, in which case no report shall be made.

F. The Commission shall review and approve a proposed electronic game, or component thereof, based solely on the standards contained in this act, subject to modification in accordance with subsection B of this section, and the report and certification received from the independent testing laboratory. The Commission shall approve any proposed electronic game that meets the standards contained in this act. The Commission's review shall be completed within twenty (20) days of receipt of the certification from the independent testing laboratory as to any new electronic game or component thereof, and within ten (10) days of the receipt of the certification as to any modification to an electronic game which has already been approved by the Commission. The certification shall be deemed approved if the Commission does not disapprove the proposed electronic game as not

meeting the standards contained in this act within the twenty- or ten-day period, as may be applicable. If within the twenty- or ten-day periods described in this section for approval by the Commission of an electronic game or modification thereof, the Commission gives notice to the licensee that it has disapproved a proposed electronic game, such electronic game shall not be placed in any facility or, if already there, shall be removed or taken offline for play, to allow time for an appeal to be made in accordance with the applicable appeal process if an appeal is sought. The sole issue in the appeal process shall be whether the electronic game, or a component thereof, which is the subject of the appeal, meets the standards contained in this act. The Commission shall have the authority to discuss the independent testing laboratory's report with representatives of the independent testing laboratory without any cost to the Commission and to physically review any electronic game as part of the applicable appeal process.

G. No modification to any electronic game may be made by an organization licensee after it is tested, certified and approved, without certification of the modification by the independent testing laboratory and approval thereof by the Commission. In situations where immediate modifications are necessary to preserve the integrity of an electronic game which has been operating pursuant to an approval obtained under this section, the independent testing laboratory may issue an emergency certification of the modification and a certification that is based on information provided to it by the licensee or obtained independently, emergency certification must be issued immediately to preserve the integrity of the electronic game, and that certification would likely be issued under ordinary circumstances. Such emergency certifications shall be deemed to be temporarily approved by the Commission and remain in effect until the Commission takes final action under this section on the certification.

Added by Laws 2004, c. 316, § 9, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-269. Definitions.

As used in Sections 2 through 20 of this act:

1. "Authorized games" means the games that organizational licensees are authorized to conduct pursuant to this act, as more specifically described in paragraph 2 of subsection C of Section 3 of this act;

2. "Central computer" means a computer or computers to which player terminals may be linked to allow competition in electronic bonanza-style bingo games;

3. "Compact" means a model tribal-state compact between the state and a tribe entered into pursuant to Sections 21 and 22 of this act;

4. "Electronic accounting system" means an electronic system that provides a secure means to receive, store and access data and record critical functions and activities, as set forth in this act;

5. "Electronic amusement game" means a game that is played in an electronic environment in which a player's performance and opportunity for success can be improved by skill that conforms to the standards set forth in this act;

6. "Electronic bonanza-style bingo game" means a game played in an electronic environment in which some or all of the numbers or symbols are drawn or electronically determined before the bingo cards for that game are sold that conforms with the standards set forth in this act;

7. "Electronic instant bingo game" means a game played in an electronic environment in which a player wins if his or her electronic instant bingo card contains a combination of numbers or symbols that was designated in advance of the game as a winning combination. There may be multiple winning combinations in each game and multiple winning cards;

8. "Electronic gaming" means the electronic amusement game, the electronic bonanza-style bingo game and the electronic instant bingo game described in this act, which are included in the authorized gaming available to be offered by organization licensees;

9. "Game play credits" means a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or a cash equivalent;

10. "Independent testing laboratory" means a laboratory of national reputation that is demonstrably competent and qualified to scientifically test and evaluate devices for compliance with this act and to otherwise perform the functions assigned to it in this act. An independent testing laboratory shall not be owned or controlled by an organizational licensee, an Indian tribe, the state, or any manufacturer, supplier or operator of gaming devices. The use of an independent testing laboratory for any purpose related to the conduct of electronic gaming by an organization licensee under this act shall be made from a list of one or more laboratories approved by the Commission;

11. "Player terminals" means electronic terminals housed in cabinets with input devices and video screens or electromechanical displays on which players play authorized gaming; and

12. "Standards" means the descriptions and specifications of electronic games or components thereof as set forth in this act, including technical specifications for component parts, requirements for cashless transaction systems, software tools for security and audit purposes, and procedures for operation of such games. Added by Laws 2004, c. 316, § 10, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-270. Player terminals - Recording, monitoring and regulating play.

A. Electronic amusement games shall be played through the employment of player terminals which, following the payment of a fee, present games in which the player can win prizes in a format in which a player's performance can be improved by skill.

B. A player may purchase an opportunity to play an electronic amusement game at a player terminal, either through the insertion of coins or currency, cash voucher, or through the use of a cashless transaction system. The available games are displayed on the player terminal's video screen or otherwise prominently displayed on the terminal. The rules of the game are also displayed either prominently on the terminal or on a help screen, and include sufficient information to alert novice players on the concept of the game so that a novice player can understand how to improve his or her performance. Depending on the game selected, the player must physically interact with the screen (through touch screen technology) or by depressing or activating buttons or other input devices, to cause an intended result.

C. Following play on a player terminal, the result shall be displayed and prizes awarded. Prizes may be dispensed in the form of cash, coin, cash voucher, merchandise or through a cashless transaction system.

D. Every play of the game shall be recorded, monitored and regulated to ensure full accountability and integrity of play, in accordance with the provisions of this act.

Added by Laws 2004, c. 316, § 11, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-271. Minimum standards for games.

A. Electronic amusement games are games in which a player's performance can be improved by skill. Consistent with this intent, each player terminal employed in an electronic amusement game shall only offer games that meet the following minimum standards:

1. Each electronic amusement game must require decisions or actions by players that could affect the result of the game;

2. No auto-hold, "smart-hold", or similar feature shall be employed which permits the player terminal to automatically determine optimum play or make decisions for players;

3. Each player terminal must prominently display either on the terminal or on a help screen:

- a. the rules of the game and instructions and other information regarding the concept of the game so that a novice player can understand how to improve his or her performance, and

- b. possible winning combinations based on the amounts paid to play the game and the other information required in this section. Such information may not be incomplete, confusing or misleading;

4. In electronic amusement games in which players are competing against others, the players shall be informed about whether and how winning prizes will be shared; and

5. No electronic amusement game shall base its outcome on the number or ratio of prior wins to prior losses or any other factor relating to the profit or revenues retained by the operator from prior plays of the game.

B. Following any play on a player terminal, data shall be maintained electronically and shall be viewable either electronically or by printed report. Such data shall provide basic information regarding the amount paid in, the game played, the result, and the prize awarded, if any.

Added by Laws 2004, c. 316, § 12, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-272. Audit of game software.

For auditing and security purposes, any electronic amusement game shall include and have available a secure software tool to audit the software of each electronic amusement game. Such tool shall be used only during authorized audits of electronic amusement games, or in cases of player disputes.

Added by Laws 2004, c. 316, § 13, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-273. Bonanza-style games.

A. Electronic bonanza-style bingo games authorized by this act shall only be conducted using a system which utilizes linked player terminals which allow players to purchase and play electronic bonanza-style bingo cards. Players compete, following the payment of a fee, to be the first player to cover a previously designated bingo pattern using a set of numbers or symbols at least some of which were drawn or electronically determined before the sale of bingo cards began. The first player to cover the game-winning pattern wins the game-winning prize. Interim and consolation prizes also may be awarded.

B. A player may purchase an opportunity to play an electronic bonanza-style bingo game at a player terminal, either through the insertion of coins or currency, cash voucher, or through the use of a cashless transaction system. The available games are displayed on the player terminal's video screen or otherwise prominently displayed on the terminal. The rules of the game are also displayed either prominently on the terminal or a help screen.

C. After the player purchases a bingo card, the player terminal must cover any numbers on the player's bingo card that match numbers previously drawn or electronically determined for that game.

D. Although the results of the bingo game may be shown using entertaining video and/or mechanical displays, the player may have the option to view the electronic bingo card and current ball draw on the video screen of the player terminal.

E. Following play on a player terminal, the result shall be displayed and prizes awarded. Prizes may be dispensed in the form of cash, coin, cash voucher, merchandise or through a cashless transaction system.

Added by Laws 2004, c. 316, § 14, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-274. Instant bingo games.

A. Electronic instant bingo games authorized by this act shall only utilize player terminals which allow players to purchase and play electronic instant bingo cards. Players receive, after the payment of a fee, an electronic instant bingo card. A player wins if his or her card contains a combination of numbers which was designated in advance of the game as a winning combination. There may be multiple winning combinations in each game and multiple winning cards.

B. A player may purchase an opportunity to play an electronic instant bingo game at a player terminal, either through the insertion of coins or currency, cash voucher, or through the use of a cashless transaction system. The available games are displayed on the player terminal's video screen or otherwise prominently displayed on the terminal. The rules of the game are also displayed either prominently on the terminal or on a help screen.

C. After the player purchases an electronic instant bingo card, the combination of numbers on that card is revealed to the player.

D. The results of the electronic instant bingo card shall be shown to the player using entertaining video and/or mechanical displays.

E. Following play on a player terminal, the result shall be displayed and prizes awarded. Prizes may be dispensed in the form of cash, coin, cash voucher, merchandise or through a cashless transaction system.

Added by Laws 2004, c. 316, § 15, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-275. Standards for player terminals.

A. Player terminals used in connection with electronic games shall conform to the following standards:

1. No player terminal shall be capable of being used as a stand-alone unit for the purposes of engaging in any game not permitted by this act;

2. In addition to a video monitor or other electromechanical display, each player terminal may have one or more of the following: a printer, graphics and signage;

3. Each player terminal may have one or more of the following: electronic buttons, touch screen capability, and a mechanical, electromechanical or electronic means of activating the game and providing player input, including a means for making player selections and choices in games;

4. Each player terminal shall have a nonvolatile backup memory or its equivalent, which shall be maintained in a secure compartment on each player terminal for the purpose of storing and preserving a redundant set of critical data which has been error checked in accordance with this act, and which data shall include, at a minimum, the following player terminal information:

- a. electronic meters required by paragraph 7 of this subsection,
- b. recall of all wagers and other information associated with the last ten (10) plays, and
- c. error conditions that may have occurred on the player terminal;

5. An on/off switch that controls the electrical current that supplies power to the player terminal, which must be located in a secure place that is readily accessible within the interior of the player terminal;

6. The operation of each player terminal must not be adversely compromised or affected by static discharge, liquid spills, or electromagnetic interference;

7. A player terminal must have electronic accounting meters which have tally totals to a minimum of seven (7) digits and be capable of rolling over when the maximum value of at least 9,999,999 is reached. The player terminal must provide a means for on-demand display of the electronic meters via a key switch or other secure method on the exterior of the machine. Electronic meters on each player terminal for each of the following data categories are required:

- a. credits, or equivalent monetary units, deposited on a cumulative basis on that terminal,
- b. if a player terminal offers more than one electronic bonanza-style bingo game or electronic amusement game for play, then for each game, the meter shall record the number of credits, or equivalent monetary units, wagered and won for each game,
- c. hand-paid and progressive jackpots paid for that terminal, which must include the cumulative amounts

- paid by an attendant for any such jackpot not otherwise metered pursuant to subparagraph b of this paragraph,
- d. the number of electronic games played on the terminal, and
 - e. the number of times the cabinet door is opened or accessed;

8. Under no circumstances shall the player terminal electronic accounting meters be capable of being automatically reset or cleared, whether due to an error in any aspect of its or a game's operation or otherwise. All meter readings must be recorded and dated both before and after an electronic accounting meter is cleared;

9. At a minimum, each player terminal shall have the following game information available for display on the video screen and/or displayed on the player terminal itself, in a location conspicuous to the player:

- a. the rules of the game being played,
- b. the maximum and minimum cost of a wager, purchase or play activation and the amount of credits, or cash equivalents, which may be won for each game offered through that terminal,
- c. the player's credit balance,
- d. the outcome of the game then being played, and
- e. any prize won on the game then being played;

10. The video screen or other means for displaying game rules, outcomes and other game information shall be kept under a glass or other transparent substance which places a barrier between the player and the actual surface of the display. At no time may stickers or other removable media be placed on the player terminal's face for purposes of displaying rules or payouts;

11. No hardware switches may be installed on a player terminal or any associated equipment which may affect the outcome or payout of any game for which the player terminal is used. Switches may be installed to control the ergonomics of the player terminal; and

12. Where the electronic game system or components are linked with one another in a local network for progressive jackpot, function sharing, aggregate prizes or other purposes, communication protocols must be used which ensure that erroneous data or signals will not adversely affect the operations of any such system or components. Added by Laws 2004, c. 316, § 16, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-276. Electronic accounting systems.

One or more electronic accounting systems shall be required to perform reporting and other functions in support of the electronic game activities described in this act. These systems may communicate with the other computers, player terminals and other game components described in this act utilizing the standards set forth in this act.

The electronic accounting system shall not interfere with the outcome of any electronic game functions.

Added by Laws 2004, c. 316, § 17, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-277. Standards for cashless transaction systems.

A. The following standards shall be met in connection with any cashless transaction system:

1. All player account information must be stored on at least two (2) separate nonvolatile media;
2. An audit file must be kept of all financial transactions against the account. This file must be stored in at least two (2) separate nonvolatile media, and be accessible for purposes of audit and disputes resolution to authorized individuals. This file must be available on-line for a minimum of thirty (30) days, after which it must be available off-line for a minimum of one hundred eighty (180) days;
3. Access controls must be in place to guarantee that unauthorized individuals will not have access to account information or history;
4. Passwords or personal identification numbers (PINs), if used, must be protected from unauthorized access;
5. All means for communicating information within the system shall conform to the standards set forth in this act;
6. Player accounts shall follow accounting procedures which are designed to verify and protect the accurate recording of all player transactions;
7. Any card or other tangible instrument issued to a player for the purpose of using the cashless transaction system shall bear on its face a control or inventory number unique to that instrument;
8. Encoded bearer instruments printed or magnetic may include coupons and other items distributed or sold for game play, promotional, advertising or other purposes, but may not include cash. Such instruments must be in electronically readable form in addition to having unique identification information printed on the instrument face. The daily and monthly reporting must include with respect to such instruments:
 - a. cash converted to game play credits,
 - b. outstanding unredeemed balance,
 - c. game play credits converted to cash,
 - d. game play credits used, and
 - e. game play credits won;
9. All customer accounts or instruments must have a redemption period of at least fourteen (14) days; and
10. No ATM card, financial institution debit card or credit card shall be utilized as part of any cashless transaction system.

B. Any "smart card" system which the licensee intends to implement as part of the cashless transaction system shall be tested by an independent testing laboratory approved by the Commission to ensure the integrity of player funds. Any smart card must store on the card or on the system using the card an audit trail of the last ten (10) transactions involving the use of the card. Each transaction record must include, at a minimum, the type of transaction, the amount of the transaction, the date of the transaction, the time of the transaction, and the identification of the player terminal or cashier terminal or other points of cash exchange where the transaction occurred. The minimum daily and monthly reporting for smart card activity must include:

1. Total of cash transferred to smart cards;
2. Total of smart card amounts transferred to cash;
3. Total of smart card amounts transferred to game play credits;
4. Total of game play credits transferred to smart card amounts;

and

5. Total unredeemed smart card balance.

C. Systems shall be permissible that allow player tracking, maintenance tracking, and other gaming management or marketing functions. These systems shall not interfere with, or in any way affect, the outcome of any game being played. Systems shall be permissible that allow progressive prize management with the certification of the independent testing laboratory approved by the Oklahoma Horse Racing Commission.

Added by Laws 2004, c. 316, § 18, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-278. Electronic game components - Certification by manufacturer.

A. Before any component of an electronic game may be placed into operation by an organizational licensee, the licensee shall first have obtained and submitted to the Oklahoma Horse Racing Commission a written certification from the manufacturer that upon installation, each such component:

1. Conforms to the standards of electronic games contained in this act as certified by the independent testing laboratory;
2. Can be used with components manufactured by others in accordance with open architectural and communication standards, platform and protocols to be approved by the Commission that promotes competition among manufacturers and vendors of equipment and components for such games; and
3. Operates and plays in accordance with the standards contained in this act. Any certification of an electronic game which was obtained from the Commission by another licensee may be relied upon as providing certification compliance under this section.

B. The organization licensee shall be responsible for the payment of all independent testing laboratory fees and costs in

connection with the duties described herein. Provided, the organization licensee may rely on any certification of an electronic game previously approved by the Oklahoma Horse Racing Commission for any other licensee. The licensee may also rely on any certification of an electronic game obtained by a tribe and approved pursuant to the provisions of the State-Tribal Gaming Act. In order to assure independence of the independent testing laboratory, any independent testing laboratory payment delinquency may be grounds by the Commission for rejecting such laboratory's reports or certification.

C. The organization licensee shall allow the Commission to inspect any electronic games or components of electronic games for the purposes of confirming that such component is operating in accordance with the requirements of this act and that such component is identical to that game or component tested by an independent testing laboratory.

Added by Laws 2004, c. 316, § 19, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-279. Disputes - Collection of data.

In the event of a dispute by a player that cannot be resolved by ordinary means by licensee personnel as to the outcome, prize, fee paid or any other aspect of the player's participation in an electronic game being played ("prize claim"), all relevant data shall be immediately collected, including, but not limited to, all meter readings, memory records, surveillance tapes, and any other reports or information regarding the disputed play on the player terminal for the play in dispute. Following the collection of all relevant data, the Oklahoma Horse Racing Commission shall be notified and requested to make an evaluation of whether or not the dispute involves the integrity of the hardware or software being used and to try and resolve the dispute. A report of all prize claims shall be maintained by the licensee.

Added by Laws 2004, c. 316, § 20, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

§3A-280. Offer of model tribal gaming contract.

The State of Oklahoma through the concurrence of the Governor after considering the executive prerogatives of that office and the power to negotiate the terms of a compact between the state and a tribe, and by means of the execution of the State-Tribal Gaming Act, and with the concurrence of the State Legislature through the enactment of the State-Tribal Gaming Act, hereby makes the following offer of a model tribal gaming compact regarding gaming to all federally recognized Indian tribes as identified in the Federal Register within this state that own or are the beneficial owners of Indian lands as defined by the Indian Gaming Regulatory Act, 25 U.S.C., Section 2703(4), and over which the tribe has jurisdiction as

recognized by the Secretary of the Interior and is a part of the tribe's "Indian reservation" as defined in 25 C.F.R., Part 151.2 or has been acquired pursuant to 25 C.F.R., Part 151, which, if accepted, shall constitute a gaming compact between this state and the accepting tribe for purposes of the Indian Gaming Regulatory Act. Acceptance of the offer contained in this section shall be through the signature of the chief executive officer of the tribal government whose authority to enter into the compact shall be set forth in an accompanying law or ordinance or resolution by the governing body of the tribe, a copy of which shall be provided by the tribe to the Governor. No further action by the Governor or the state is required before the compact can take effect. A tribe accepting this Model Tribal Gaming Compact is responsible for submitting a copy of the Compact executed by the tribe to the Secretary of the Interior for approval and publication in the Federal Register. The tribe shall provide a copy of the executed Compact to the Governor. No tribe shall be required to agree to terms different than the terms set forth in the Model Tribal Gaming Compact, which is set forth in Section 281 of this title. As a precondition to execution of the Model Tribal Gaming Compact by any tribe, the tribe must have paid or entered into a written agreement for payment of any fines assessed prior to the effective date of the State-Tribal Gaming Act by the federal government with respect to the tribe's gaming activities pursuant to the Indian Gaming Regulatory Act.

Notwithstanding the provisions of Sections 941 through 988 of Title 21 of the Oklahoma Statutes, the conducting of and the participation in any game authorized by the model compact set forth in Section 281 of this title are lawful when played pursuant to a compact which has become effective.

1. Prior to July 1, 2008, of all fees received by the state pursuant to subsection A of Part 11 of the Model Tribal Gaming Compact set forth in Section 281 of this title:

- a. twelve percent (12%) shall be deposited in the Oklahoma Higher Learning Access Trust Fund, and
- b. eighty-eight percent (88%) of such fees shall be deposited in the Education Reform Revolving Fund.

2. On or after July 1, 2008, of all fees received by the state pursuant to subsection A of Part 11 of the Model Tribal Gaming Compact set forth in Section 281 of this title and Gaming Compact Supplements offered pursuant to Section 2 of this act:

- a. twelve percent (12%) shall be deposited in the General Revenue Fund, and
- b. eighty-eight percent (88%) of such fees shall be deposited in the Education Reform Revolving Fund.

Provided, the first Twenty Thousand Eight Hundred Thirty-three Dollars and thirty-three cents (\$20,833.33) of all fees received each month by the state pursuant to subsection A of Part 11 of the Model

Tribal Gaming Compact set forth in Section 281 of this title and Gaming Compact Supplements offered pursuant to Section 2 of this act shall be transferred to the Department of Mental Health and Substance Abuse Services for the treatment of compulsive gambling disorder and educational programs related to such disorder.

Added by Laws 2004, c. 316, § 21, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.

Amended by Laws 2007, c. 355, § 2, emerg. eff. June 4, 2007; Laws 2018, c. 11, § 3.

§3A-280.1. Non-house-banked table games supplement.

A. Pursuant to the offer of the Model Tribal Gaming Compact found in Section 280 of Title 3A of the Oklahoma Statutes and the definition of "covered games" in the Model Tribal Gaming Compact codified in Section 281 of Title 3A of the Oklahoma Statutes, which said codified compact offer provides the state may approve additional forms of covered games under said compact by amendment of the State-Tribal Gaming Act, and a compacting tribe may operate such additional forms of covered games by written supplement to an existing compact, the state hereby approves, subject to the provisions of this section, an additional game offering as follows:

"Non-house-banked table games" means any table game, including but not limited to those table games involving a wheel, ball or dice, operated in a nonelectronic environment in which the tribe has no interest in the outcome of the game, including games played in tournament formats and games in which the tribe collects a fee from the player for participating, and all bets are placed in a common pool or pot from which all player winnings, prizes and direct costs are paid. As provided in this section, administrative fees may be charged by the tribe against any common pool or pot in an amount equal to any fee paid the state; provided, that the tribe may seed any pool or pot as it determines necessary from time to time.

B. Should a tribe that has compacted with the state in accordance with Sections 280 and 281 of Title 3A of the Oklahoma Statutes, elect to accept this offer of an additional covered game and, accordingly, to operate non-house-banked table games under the terms of its existing gaming compact with the state, said tribe shall execute a supplement to said compact, to provide as follows:

MODEL TRIBAL GAMING COMPACT SUPPLEMENT

Between the [Name of Tribe]

and the STATE OF OKLAHOMA

To be governed in accord with the [Name of Tribe]'s State-Tribal Gaming Compact ("Compact"), approved by the United States Department of the Interior on [Date], the [Name of Tribe] ("Tribe") accepts the State's offer of additional covered game codified in Section 280.1 of Title 3A of the Oklahoma Statutes, which offer and this acceptance are subject to the following terms:

Part 1. TITLE

This document shall be referred to as the "[Name of Tribe] and State of Oklahoma Gaming Compact Non-house-Banked Table Games Supplement ("Gaming Compact Supplement").

Part 2. TERMS

A. The Tribe hereby memorializes its election to accept the State's offer of an additional covered game, which offer is codified in Section 280.1 of Title 3A of the Oklahoma Statutes.

B. The Tribe agrees, subject to the enforcement and exclusivity provisions of its Compact, to pay to the State ten percent (10%) of the monthly net win of the common pool(s) or pot(s) from which prizes are paid for non-house-banked table games. The Tribe is entitled to keep an amount equal to State payments from the common pool(s) or pot(s) as part of its cost of operating the games. For all purposes, such payment shall be deemed an exclusivity and fee payment under paragraph 2 of subsection A of Part 11 of the State-Tribal Gaming Compact between the electing Tribe and the State.

C. The Tribe's operation of non-house-banked table games pursuant to this supplement shall, for all purposes, including enforcement and exclusivity, be treated as subject to and lawfully conducted under the terms and provisions of the Compact.

Part 3. AUTHORITY TO EXECUTE

This Gaming Compact Supplement, to the extent it conforms with Section 280.1 of Title 3A of the Oklahoma Statutes, is deemed approved by the State of Oklahoma. No further action of the State or any state official is necessary for this Gaming Compact Supplement to take effect upon approval by the Secretary of the United States Department of the Interior and publication in the Federal Register. The undersigned tribal official(s) represents that he or she is duly authorized and has the authority to execute this Gaming Compact Supplement on behalf of the Tribe for whom he or she is signing.

APPROVED:

[Name of Tribe]

Date: _____

[Title]

C. A tribe electing to accept this additional game offering is responsible for submitting a copy of the executed supplement to the Secretary of the United States Department of the Interior for approval and publication in the Federal Register.

D. Upon approval of a supplement by the Secretary of the United States Department of the Interior, said supplement shall be construed as an acceptance of this offer and a supplement to the tribe's existing State-Tribal Gaming Compact with the state. Thereafter, non-house-banked table games shall be deemed a covered game pursuant to said Compact.

E. Upon approval of a supplement by the Secretary of the United States Department of the Interior and subject to the enforcement and

exclusivity provisions of its existing State-Tribal Gaming Compact with the state, the electing tribe shall be deemed pursuant to such supplement to be in agreement to pay ten percent (10%) of the monthly net win of the common pool(s) or pot(s) from which prizes are paid for non-house-banked table games. The tribe shall be entitled to keep an amount equal to state payments from the common pool(s) or pot(s) as part of its cost of operating the games. For all purposes, such payment shall be deemed an exclusivity and fee payment under paragraph 2 of subsection A of Part 11 of the State-Tribal Gaming Compact between the electing tribe and the state.

F. The offer contained in this section shall not be construed to permit the operation of any additional form of gaming by organization licensees or permitting any additional electronic or machine gaming within Oklahoma.

G. Notwithstanding the provisions of Sections 941 through 988 of Title 21 of the Oklahoma Statutes, the conducting of and participation in any game authorized pursuant to this section are lawful when played pursuant to a compact supplement which has become effective in accordance with this section.
Added by Laws 2018, c. 11, § 2.

§3A-281. Model Tribal Gaming Compact.

This section sets forth the provisions of the Model Tribal Gaming Compact.

MODEL TRIBAL GAMING COMPACT
Between the [Name of Tribe]
and the STATE OF OKLAHOMA

This Compact is made and entered into by and between the [Name of Tribe], a federally recognized Indian tribe ("tribe"), and the State of Oklahoma ("state"), with respect to the operation of covered games (as defined herein) on the tribe's Indian lands as defined by the Indian Gaming Regulatory Act, 25 U.S.C., Section 2703(4).

Part 1. TITLE

This document shall be referred to as the "[Name of Tribe] and State of Oklahoma Gaming Compact".

Part 2. RECITALS

1. The tribe is a federally recognized tribal government possessing sovereign powers and rights of self-government.
2. The State of Oklahoma is a state of the United States of America possessing the sovereign powers and rights of a state.
3. The state and the tribe maintain a government-to-government relationship, and this Compact will help to foster mutual respect and understanding among Indians and non-Indians.
4. The United States Supreme Court has long recognized the right of an Indian tribe to regulate activity on lands within its jurisdiction.

5. The tribe desires to offer the play of covered games, as defined in paragraphs 5, 10, 11 and 12 of Part 3 of this Compact, as a means of generating revenues for purposes authorized by the Indian Gaming Regulatory Act, 25 U.S.C., Section 2701, et seq., including without limitation the support of tribal governmental programs, such as health care, housing, sewer and water projects, police, corrections, fire, judicial services, highway and bridge construction, general assistance for tribal elders, day care for the children, economic development, educational opportunities and other typical and valuable governmental services and programs for tribal members.

6. The state recognizes that the positive effects of this Compact will extend beyond the tribe's lands to the tribe's neighbors and surrounding communities and will generally benefit all of Oklahoma. These positive effects and benefits may include not only those described in paragraph 5 of this Part, but also may include increased tourism and related economic development activities.

7. The tribe and the state jointly wish to protect their citizens from any criminal involvement in the gaming operations regulated under this Compact.

Part 3. DEFINITIONS

As used in this Compact:

1. "Adjusted gross revenues" means the total receipts received from the play of all covered games minus all prize payouts;
2. "Annual oversight assessment" means the assessment described in subsection B of Part 11 of this Compact;
3. "Central computer" means a computer to which player terminals are linked to allow competition in electronic bonanza-style bingo games;
4. "Compact" means this Tribal Gaming Compact between the state and the tribe, entered into pursuant to Section 280 of this title;
5. "Covered game" means the following games conducted in accordance with the standards, as applicable, set forth in Sections 270 through 277 of this title: an electronic bonanza-style bingo game, an electronic amusement game, an electronic instant bingo game, nonhouse-banked card games; any other game, if the operation of such game by a tribe would require a compact and if such game has been: (i) approved by the Oklahoma Horse Racing Commission for use by an organizational licensee, (ii) approved by state legislation for use by any person or entity, or (iii) approved by amendment of the State-Tribal Gaming Act; and upon election by the tribe by written supplement to this Compact, any Class II game in use by the tribe, provided that no exclusivity payments shall be required for the operation of such Class II game;
6. "Covered game employee" means any individual employed by the enterprise or a third party providing management services to the enterprise, whose responsibilities include the rendering of services

with respect to the operation, maintenance or management of covered games. The term "covered game employee" includes, but is not limited to, the following: managers and assistant managers; accounting personnel; surveillance and security personnel; cashiers, supervisors, and floor personnel; cage personnel; and any other person whose employment duties require or authorize access to areas of the facility related to the conduct of covered games or the maintenance or storage of covered game components. This shall not include upper level tribal employees or tribe's elected officials so long as such individuals are not directly involved in the operation, maintenance, or management of covered game components. The enterprise may, at its discretion, include other persons employed at or in connection with the enterprise within the definition of covered game employee;

7. "Documents" means books, records, electronic, magnetic and computer media documents and other writings and materials, copies thereof, and information contained therein;

8. "Effective date" means the date on which the last of the conditions set forth in subsection A of Part 15 of this Compact have been met;

9. "Electronic accounting system" means an electronic system that provides a secure means to receive, store and access data and record critical functions and activities, as set forth in the State-Tribal Gaming Act;

10. "Electronic amusement game" means a game that is played in an electronic environment in which a player's performance and opportunity for success can be improved by skill that conforms to the standards set forth in the State-Tribal Gaming Act;

11. "Electronic bonanza-style bingo game" means a game played in an electronic environment in which some or all of the numbers or symbols are drawn or electronically determined before the electronic bingo cards for that game are sold that conforms to the standards set forth in the State-Tribal Gaming Act;

12. "Electronic instant bingo game" means a game played in an electronic environment in which a player wins if his or her electronic instant bingo card contains a combination of numbers or symbols that was designated in advance of the game as a winning combination. There may be multiple winning combinations in each game and multiple winning cards that conform to the standards set forth in the State-Tribal Gaming Act;

13. "Enterprise" means the tribe or the tribal agency or section of tribal management with direct responsibility for the conduct of covered games, the tribal business enterprise that conducts covered games, or a person, corporation or other entity that has entered into a management contract with the tribe to conduct covered games, in accordance with IGRA. The names, addresses and identifying information of any covered game employees shall be forwarded to the

SCA at least annually. In any event, the tribe shall have the ultimate responsibility for ensuring that the tribe or enterprise fulfills the responsibilities under this Compact. For purposes of enforcement, the tribe is deemed to have made all promises for the enterprise;

14. "Facility" means any building of the tribe in which the covered games authorized by this Compact are conducted by the enterprise, located on Indian lands as defined by IGRA. The tribe shall have the ultimate responsibility for ensuring that a facility conforms to the Compact as required herein;

15. "Game play credits" means a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or a cash equivalent;

16. "Player terminals" means electronic or electromechanical terminals housed in cabinets with input devices and video screens or electromechanical displays on which players play electronic bonanza-style bingo games, electronic instant bingo games or electronic amusement games;

17. "Independent testing laboratory" means a laboratory of national reputation that is demonstrably competent and qualified to scientifically test and evaluate devices for compliance with this Compact and to otherwise perform the functions assigned to it in this Compact. An independent testing laboratory shall not be owned or controlled by the tribe, the enterprise, an organizational licensee as defined in the State-Tribal Gaming Act, the state, or any manufacturer, supplier or operator of gaming devices. The selection of an independent testing laboratory for any purpose under this Compact shall be made from a list of one or more laboratories mutually agreed upon by the parties; provided that the parties hereby agree that any laboratory upon which the National Indian Gaming Commission has relied for such testing may be utilized for testing required by this Compact;

18. "IGRA" means the Indian Gaming Regulatory Act, Pub. L. 100-497, Oct. 17, 1988, 102 Stat. 2467, codified at 25 U.S.C., Section 2701 et seq. and 18 U.S.C., Sections 1166 to 1168;

19. "Nonhouse-banked card games" means any card game in which the tribe has no interest in the outcome of the game, including games played in tournament formats and games in which the tribe collects a fee from the player for participating, and all bets are placed in a common pool or pot from which all player winnings, prizes and direct costs are paid. As provided herein, administrative fees may be charged by the tribe against any common pool in an amount equal to any fee paid the state; provided that the tribe may seed the pool as it determines necessary from time to time;

20. "Patron" means any person who is on the premises of a gaming facility, for the purpose of playing covered games authorized by this Compact;

21. "Principal" means, with respect to any entity, its sole proprietor or any partner, trustee, beneficiary or shareholder holding five percent (5%) or more of its beneficial or controlling ownership, either directly or indirectly, or any officer, director, principal management employee, or key employee thereof;

22. "Rules and regulations" means the rules and regulations promulgated by the Tribal Compliance Agency for implementation of this Compact;

23. "Standards" means the descriptions and specifications of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games or components thereof as set forth in Sections 270 through 277 of this title as enacted in 2004 or as amended pursuant to paragraph 27 of this Part or subsection D of Part 13 of this Compact, including technical specifications for component parts, requirements for cashless transaction systems, software tools for security and audit purposes, and procedures for operation of such games;

24. "State" means the State of Oklahoma;

25. "State Compliance Agency" ("SCA") means the state agency that has the authority to carry out the state's oversight responsibilities under this Compact, which shall be the Office of Management and Enterprise Services or its successor agency. Nothing herein shall supplant the role or duties of the Oklahoma State Bureau of Investigation under state law. The Oklahoma Horse Racing Commission and the Oklahoma Tax Commission shall have no role in regulating or oversight of any gaming conducted by a tribe;

26. "Tribal Compliance Agency" ("TCA") means the tribal governmental agency that has the authority to carry out the tribe's regulatory and oversight responsibilities under this Compact. Unless and until otherwise designated by the tribe, the TCA shall be the [Name of Tribe] Gaming Commission. No covered game employee may be a member or employee of the TCA. The tribe shall have the ultimate responsibility for ensuring that the TCA fulfills its responsibilities under this Compact. The members of the TCA shall be subject to background investigations and licensed to the extent required by any tribal or federal law, and in accordance with subsection B of Part 7 of this Compact. The tribe shall ensure that all TCA officers and agents are qualified for such position and receive ongoing training to obtain and maintain skills that are sufficient to carry out their responsibilities in accordance with industry standards;

27. "State-Tribal Gaming Act" means the legislation in which this Model Tribal Gaming Compact is set forth and, at the tribe's option, amendments or successor statutes thereto;

28. "Tribal law enforcement agency" means a police or security force established and maintained by the tribe pursuant to the tribe's powers of self-government to carry out law enforcement duties at or in connection with a facility; and

29. "Tribe" means the [Name of Nation].

Part 4. AUTHORIZATION OF COVERED GAMES

A. The tribe and state agree that the tribe is authorized to operate covered games only in accordance with this Compact. However, nothing in this Compact shall limit the tribe's right to operate any game that is Class II under IGRA and no Class II games shall be subject to the exclusivity payments set forth in Part 11 of this Compact. In the case of electronic bonanza-style bingo games, there have been disagreements between tribes and federal regulators as to whether or not such games are Class II. Without conceding that such games are Class III, the tribe has agreed to compact with the state to operate the specific type of electronic bonanza-style bingo game described in this Compact to remove any legal uncertainty as to the tribe's right to lawfully operate the game. Should the electronic bonanza-style bingo game or the electronic instant bingo game described in this act be determined to be Class II by the NIGC or a federal court, then the tribe shall have the option to operate such games outside of this Compact; provided, any obligations pursuant to subsection F of Part 11 of this Compact shall not be affected thereby.

B. A tribe shall not operate an electronic bonanza-style bingo game, an electronic instant bingo game or an electronic amusement game pursuant to this Compact until such game has been certified by an independent testing laboratory and the TCA as meeting the standards set out in the State-Tribal Gaming Act for electronic bonanza-style bingo games, electronic instant bingo games or electronic amusement games, as applicable or any standards contained in the Oklahoma Horse Racing Commission rules issued pursuant to subsection B of Section 268 of this title that modify the standards for such games that may be conducted by organizational licensees. Provided, the tribe may rely on any certification of an electronic bonanza-style bingo game, an electronic instant bingo, or electronic amusement games by the Oklahoma Horse Racing Commission which was obtained by an organization licensee pursuant to the State-Tribal Gaming Act to establish certification compliance under this Compact. The tribe may also rely on any certification of an electronic bonanza-style bingo game, electronic instant bingo or an electronic amusement game by the TCA obtained by another tribe which has entered into the model compact to establish certification compliance under this Compact.

Part 5. RULES AND REGULATIONS; MINIMUM REQUIREMENTS FOR OPERATIONS

A. Regulations. At all times during the Term of this Compact, the tribe shall be responsible for all duties which are assigned to it, the enterprise, the facility, and the TCA under this Compact. The tribe shall promulgate any rules and regulations necessary to implement this Compact, which at a minimum shall expressly include or incorporate by reference all provisions of Part 5 and the procedural requirements of Part 6 of this Compact. Nothing in this Compact shall be construed to affect the tribe's right to amend its rules and regulations, provided that any such amendment shall be in conformity with this Compact. The SCA may propose additional rules and regulations related to implementation of this Compact to the TCA at any time, and the TCA shall give good faith consideration to such suggestions and shall notify the SCA of its response or action with respect thereto.

B. Compliance; Internal Control Standards. All enterprises and facilities shall comply with, and all covered games approved under the procedures set forth in this Compact shall be operated in accordance with the requirements set forth in this Compact, including, but not limited to, those set forth in subsections C and D of this Part. In addition, all enterprises and facilities shall comply with tribal internal control standards that provide a level of control that equals or exceeds those set forth in the National Indian Gaming Commission's Minimum Internal Control Standards (25 C.F.R., Part 542).

C. Records. In addition to other records required to be maintained herein, the enterprise or tribe shall maintain the following records related to implementation of this Compact in permanent form and as written or entered, whether manually or by computer, and which shall be maintained by the enterprise and made available for inspection by the SCA for no less than three (3) years from the date generated:

1. A log recording all surveillance activities in the monitoring room of the facility, including, but not limited to, surveillance records kept in the normal course of enterprise operations and in accordance with industry standards; provided, notwithstanding anything to the contrary herein, surveillance records may, at the discretion of the enterprise, be destroyed if no incident has been reported within one (1) year following the date such records were made. Records, as used in this Compact, shall include video tapes and any other storage media;

2. Payout from the conduct of all covered games;

3. Maintenance logs for all covered games gaming equipment used by the enterprise;

4. Security logs as kept in the normal course of conducting and maintaining security at the facility, which at a minimum shall conform to industry practices for such reports. The security logs shall document any unusual or nonstandard activities, occurrences or

events at or related to the facility or in connection with the enterprise. Each incident, without regard to materiality, shall be assigned a sequential number for each such report. At a minimum, the security logs shall consist of the following information, which shall be recorded in a reasonable fashion noting:

- a. the assigned number of the incident,
- b. the date of the incident,
- c. the time of the incident,
- d. the location of the incident,
- e. the nature of the incident,
- f. the identity, including identification information, of any persons involved in the incident and any known witnesses to the incident, and
- g. the tribal compliance officer making the report and any other persons contributing to its preparation;

5. Books and records on all covered game activities of the enterprise shall be maintained in accordance with generally accepted accounting principles (GAAP); and

6. All documents generated in accordance with this Compact.

D. Use of Net Revenues. Net revenues that the tribe receives from covered games are to be used for any one or more of those purposes permitted under IGRA:

1. To fund tribal government operations or programs;
2. To provide for the general welfare of the tribe and its

members;

3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies.

E. 1. The tribe's rules and regulations shall require the enterprise at a minimum to bar persons based on their prior conduct at the facility or who, because of their criminal history or association with criminal offenders, pose a threat to the integrity of the conduct of covered games.

2. The TCA shall establish a list of the persons barred from the facility.

3. The enterprise shall employ its best efforts to exclude persons on such list from entry into its facility; provided, neither persons who are barred but gain access to the facility, nor any other person, shall have any claim against the state, the tribe or the enterprise or any other person for failing to enforce such bar.

4. Patrons who believe they may be playing covered games on a compulsive basis may request that their names be placed on the list. All covered game employees shall receive training on identifying players who have a problem with compulsive playing and shall be instructed to ask them to leave. Signs and other materials shall be readily available to direct such compulsive players to agencies where they may receive counseling.

F. Audits. 1. Consistent with 25 C.F.R., Section 571.12, Audit Standards, the TCA shall ensure that an annual independent financial audit of the enterprise's conduct of covered games subject to this Compact is secured. The audit shall, at a minimum, examine revenues and expenses in connection with the conduct of covered games in accordance with generally accepted auditing standards and shall include, but not be limited to, those matters necessary to verify the determination of adjusted gross revenues and the basis of the payments made to the state pursuant to Part 11 of this Compact.

2. The auditor selected by the TCA shall be a firm of known and demonstrable experience, expertise and stature in conducting audits of this kind and scope.

3. The audit shall be concluded within five (5) months following the close of each calendar year, provided that extensions may be requested by the tribe and shall not be refused by the state where the circumstances justifying the extension request are beyond the tribe's control.

4. The audit of the conduct of covered games may be conducted as part of or in conjunction with the audit of the enterprise, but if so conducted shall be separately stated for the reporting purposes required herein.

5. The audit shall conform to generally accepted auditing standards. As part of the audit report, the auditor shall certify to the TCA that, in the course of the audit, the auditor discovered no matters within the scope of the audit which were determined or believed to be in violation of any provision of this Compact.

6. The enterprise shall assume all costs in connection with the audit.

7. The audit report for the conduct of covered games shall be submitted to the SCA within thirty (30) days of completion. The auditor's work papers concerning covered games shall be made available to the SCA upon request.

8. Representatives of the SCA may, upon request, meet with the auditors to discuss the work papers, the audit or any matters in connection therewith; provided, such discussions are limited to covered games information and pursue legitimate state covered games interests.

G. Rules for Play of and Prizes for Covered Games. Summaries of the rules for playing covered games and winning prizes shall be visibly displayed in the facility. Complete sets of rules shall be available in pamphlet form in the facility.

H. Supervisory Line of Authority. The enterprise shall provide the TCA and SCA with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of covered games, and shall promptly notify those agencies of any material changes thereto.

I. Sale of Alcoholic Beverages. The sale and service of alcoholic beverages in a facility shall be in compliance with state, federal and tribal law in regard to the licensing and sale of such beverages.

J. Age Restrictions. No person who would not be eligible to be a patron of a pari-mutuel system of wagering pursuant to the provisions of subsection B of Section 208.4 of this title shall be admitted into any area in a facility where covered games are played, nor be permitted to operate, or obtain a prize from or in connection with the operation of, any covered game, directly or indirectly.

K. Destruction of Documents. Enterprise books, records and other materials documenting the conduct of covered games shall be destroyed only in accordance with rules and regulations adopted by the TCA, which at a minimum shall provide as follows:

1. Material that might be utilized in connection with a potential tort claim pursuant to Part 6 of this Compact, including, but not limited to, incident reports, surveillance records, statements, and the like, shall be maintained at least one (1) year beyond the time which a claim can be made under Part 6 of this Compact or, if a tort claim is made, beyond the final disposition of such claim;

2. Material that might be utilized in connection with a prize claim, including but not limited to incident reports, surveillance records, statements, and the like, shall be maintained at least one hundred eighty (180) days beyond the time which a claim can be made under Part 6 of this Compact or, if a prize claim is made, beyond the final disposition of such claim; and

3. Notwithstanding anything herein to the contrary, all enterprise books and records with respect to the conduct of covered games or the operation of the enterprise, including, but not limited to, all interim and final financial and audit reports and materials related thereto which have been generated in the ordinary course of business, shall be maintained for the minimum period of three (3) years.

L. Location. The tribe may establish and operate enterprises and facilities that operate covered games only on its Indian lands as defined by IGRA. The tribe shall notify the SCA of the operation of any new facility following the effective date of this Compact. Nothing herein shall be construed as expanding or otherwise altering the term "Indian lands", as that term is defined in the IGRA, nor shall anything herein be construed as altering the federal process governing the tribal acquisition of "Indian lands" for gaming purposes.

M. Records of Covered Games. The TCA shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number.

PART 6. TORT CLAIMS; PRIZE CLAIMS; LIMITED CONSENT TO SUIT

A. Tort Claims. The enterprise shall ensure that patrons of a facility are afforded due process in seeking and receiving just and reasonable compensation for a tort claim for personal injury or property damage against the enterprise arising out of incidents occurring at a facility, hereinafter "tort claim", as follows:

1. During the term of this Compact, the enterprise shall maintain public liability insurance for the express purposes of covering and satisfying tort claims. The insurance shall have liability limits of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for any one person and Two Million Dollars (\$2,000,000.00) for any one occurrence for personal injury, and One Million Dollars (\$1,000,000.00) for any one occurrence for property damage, hereinafter the "limit of liability", or the corresponding limits under the Governmental Tort Claims Act, whichever is greater. No tort claim shall be paid, or be the subject of any award, in excess of the limit of liability;

2. The tribe consents to suit on a limited basis with respect to tort claims subject to the limitations set forth in this subsection and subsection C of this Part. No consents to suit with respect to tort claims, or as to any other claims against the tribe shall be deemed to have been made under this Compact, except as provided in subsections B and C of this Part;

3. The enterprise's insurance policy shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity in connection with any claim made within the limit of liability if the claim complies with the limited consent provisions of subsection C of this Part. Copies of all such insurance policies shall be forwarded to the SCA;

4. Any patron having a tort claim shall file a written tort claim notice by delivery to the enterprise or the TCA. The date the tort claim notice is filed with the enterprise or the TCA shall be deemed the official date of filing the tort claim notice. The tort claim notice shall be filed within one (1) year of the date of the event which allegedly caused the claimed loss. Failure to file the tort claim notice during such period of time shall forever bar such tort claim; provided that a tort claim notice filed with the enterprise or the TCA more than ninety (90) days, but within one (1) year, after the event shall be deemed to be timely filed, but any judgment thereon shall be reduced by ten percent (10%).

5. If the tort claim notice is filed with the TCA, the TCA shall forward a copy of the tort claim to the enterprise and the SCA within forty-eight (48) hours of filing, and if the tort claim notice is filed with the enterprise, the enterprise shall forward a copy of the tort claim to the TCA and the SCA within forty-eight (48) hours of filing;

6. The tort claim notice shall state the date, time, place and circumstances of the incident upon which the tort claim is based, the identity of any persons known to have information regarding the incident, including employees or others involved in or who witnessed the incident, the amount of compensation and the basis for said relief; the name, address and telephone number of the claimant, and the name, address and telephone number of any representative authorized to act or settle the claim on behalf of the claimant;

7. All tort claim notices shall be signed by the claimant. The rules and regulations may additionally require that the tort claim notices be signed under oath. The rules and regulations may also require that as a condition of prosecuting tort claims, the claimant shall appear to be interviewed or deposed at least once under reasonable circumstances, which shall include the attendance of the claimant's legal counsel if requested; provided that the enterprise shall afford claimant at least thirty (30) days' written notice of the interview or deposition; and provided further that the claimant's failure to appear without cause for any interview or deposition properly noticed pursuant to this paragraph shall be deemed a voluntary withdrawal of the tort claim;

8. The enterprise shall promptly review, investigate, and make a determination regarding the tort claim. Any portion of a tort claim which is unresolved shall be deemed denied if the enterprise fails to notify the claimant in writing of its approval within ninety (90) days of the filing date, unless the parties by written agreement extend the date by which a denial shall be deemed issued if no other action is taken. Each extension shall be for no more than ninety (90) days, but there shall be no limit on the number of written agreements for extensions; provided, that no written agreement for extension shall be valid unless signed by the claimant and an authorized representative of the enterprise. The claimant and the enterprise may continue attempts to settle a claim beyond an extended date; provided, settlement negotiations shall not extend the date of denial in the absence of a written agreement for extension as required by this paragraph;

9. A judicial proceeding for any cause arising from a tort claim may be maintained in accordance with and subject to the limitations of subsection C of this Part only if the following requirements have been met:

- a. the claimant has followed all procedures required by this Part, including, without limitation, the delivery of a valid and timely written tort claim notice to the enterprise,
- b. the enterprise has denied the tort claim, and
- c. the claimant has filed the judicial proceeding no later than the one-hundred-eightieth day after denial of the claim by the enterprise; provided, that neither the

claimant nor the enterprise may agree to extend the time to commence a judicial proceeding; and

10. Notices explaining the procedure and time limitations with respect to making a tort claim shall be prominently posted in the facility. Such notices shall explain the method and places for making a tort claim, that this procedure is the exclusive method of making a tort claim, and that claims that do not follow these procedures shall be forever barred. The enterprise shall make pamphlets containing the requirements in this subsection readily available to all patrons of the facility and shall provide such pamphlets to a claimant within five (5) days of the filing of a claim.

B. Prize Claims. The enterprise shall ensure that patrons of a facility are afforded due process in seeking and receiving just and reasonable compensation arising from a patron's dispute, in connection with his or her play of any covered game, the amount of any prize which has been awarded, the failure to be awarded a prize, or the right to receive a refund or other compensation, hereafter "prize claim", as follows:

1. The tribe consents to suit on a limited basis with respect to prize claims against the enterprise only as set forth in subsection C of this Part; no consents to suit with respect to prize claims, or as to any other claims against the tribe shall be deemed to have been made under this Compact, except as provided in subsections A and C of this Part;

2. The maximum amount of any prize claim shall be the amount of the prize which the claimant establishes he or she was entitled to be awarded, hereafter "prize limit";

3. Any patron having a prize claim shall file a written prize claim notice by delivery to the enterprise or the TCA. The date the prize claim is filed with the enterprise or the TCA shall be deemed the official date of filing the prize claim notice. The prize claim notice shall be filed within ten (10) days of the event which is the basis of the claim. Failure to file the prize claim notice during such period of time shall forever bar such prize claim;

4. If the prize claim notice is filed with the TCA, the TCA shall forward a copy of the prize claim to the enterprise and the SCA within forty-eight (48) hours of its filing; and if the prize claim notice is filed with the enterprise, the enterprise shall forward a copy of the tort claim to the TCA and the SCA within forty-eight (48) hours of filing;

5. The written prize claim notice shall state the date, time, place and circumstances of the incident upon which the prize claim is based, the identity of any persons known to have information regarding the incident, including employees or others involved in or who witnessed the incident, the amount demanded and the basis for said amount, the name, address and telephone number of the claimant,

and the name, address and telephone number of any representative authorized to act or settle the claim on behalf of the claimant;

6. All notices of prize claims shall be signed by the claimant. The rules and regulations may additionally require that the prize claim notices be signed under oath;

7. The enterprise shall promptly review, investigate and make a determination regarding the prize claim. Claimants shall cooperate in providing information, including personal sworn statements and agreeing to be interviewed, as the enterprise shall reasonably request. The claimant is permitted to have counsel present during any such interview;

8. If the prize claim is not resolved within seventy-two (72) hours from the time of filing the claim in accordance with paragraph 5 of this subsection, the TCA shall immediately notify the SCA in writing that the claim has not been resolved;

9. In the event the claim is resolved, the TCA shall not be obligated to report that fact to the SCA, but shall make TCA reports available for review;

10. Any portion of a prize claim which is unresolved shall be deemed denied if the enterprise fails to notify the claimant in writing of its approval within thirty (30) days of the filing date, unless the parties agree by written agreement to extend the date. Each extension shall be for no more than thirty (30) days, but there shall be no limit on the number of written agreements for extensions; provided, that no written agreements for extension shall be valid unless signed by the claimant and an authorized representative of the TCA. The claimant and the enterprise may continue attempts to settle a claim beyond an extended date; provided, settlement negotiations shall not extend the date of denial in the absence of a written extension required by this paragraph;

11. A judicial proceeding for any cause arising from a prize claim may be maintained in accordance with and subject to the limitations of subsection C of this Part only if the following requirements have been met:

- a. the claimant has followed all procedures required by this Part, including without limitation, the delivery of a valid and timely written prize claim notice to the enterprise,
- b. the enterprise has denied the prize claim, and
- c. the claimant has filed the judicial proceeding no later than one hundred eighty (180) days after denial of the claim by the enterprise; provided that neither the claimant nor the enterprise may extend the time to commence a judicial proceeding; and

12. Notices explaining the procedure and time limitations with respect to making a prize claim shall be prominently posted in the facility. Such notices shall explain the method and places for

making claims, that this procedure is the exclusive method of making a prize claim, and that claims that do not follow this procedure shall be forever barred. The enterprise shall make pamphlets containing the requirements in this subsection readily available to all patrons of the facility and shall provide such pamphlets to a claimant by the TCA within five (5) days of the filing date of a claim.

C. Limited Consent to Suit for Tort Claims and Prize Claims. The tribe consents to suit against the enterprise in a court of competent jurisdiction with respect to a tort claim or prize claim if all requirements of paragraph 9 of subsection A or all requirements of paragraph 11 of subsection B of this Part have been met; provided that such consent shall be subject to the following additional conditions and limitations:

1. For tort claims, consent to suit is granted only to the extent such claim or any award or judgment rendered thereon does not exceed the limit of liability. Under no circumstances shall any consent to suit be effective as to any award which exceeds such applicable amounts. This consent shall only extend to the patron actually claiming to have been injured. A tort claim shall not be assignable. In the event any assignment of the tort claim is made in violation of this Compact, or any person other than the patron claiming the injury becomes a party to any action hereunder, this consent shall be deemed revoked for all purposes. Notwithstanding the foregoing, consent to suit shall not be revoked if an action on a tort claim is filed by (i) a court appointed representative of a claimant's estate, (ii) an indispensable party, or (iii) a health provider or other party subrogated to the claimant's rights by virtue of any insurance policy; provided, that nothing herein is intended to, or shall constitute a consent to suit against the enterprise as to such party except to the extent such party's claim is:

- a. in lieu of and identical to the claim that would have been made by the claimant directly but for the appointment of said representative or indispensable party, and participation of such other party is in lieu of and not in addition to pursuit of the claim by the patron, and
- b. the claim of such other party would have been subject to a consent to suit hereunder if it had been made by the claimant directly; and

2. For prize claims, consent is granted only to the extent such claim does not exceed the prize limit. Under no circumstances shall any award exceed the prize limit. This consent shall only extend to the patron actually claiming to have engaged in the play of a covered game on which the claim is based. Prize claims shall not be assignable. In the event any assignment of the prize claim is made, or any person other than the claimant entitled to make the claim

becomes a party to any action hereunder, this consent shall be deemed revoked for all purposes. Notwithstanding the foregoing, consent to suit shall not be revoked if an action on a prize claim is filed by (i) a court-appointed representative of a claimant's estate, or (ii) an indispensable party, provided that nothing herein is intended to, or shall constitute a consent to suit against the enterprise as to such party except to the extent such party's claim is:

- a. in lieu of and identical to the claim that would have been made by the claimant directly but for the appointment of said representative or indispensable party, and participation of such other party is in lieu of and not in addition to pursuit of the claim by the patron, and
- b. the claim of such other party would have been subject to a consent to suit hereunder if it had been made by the claimant directly.

D. Remedies in the Event of No or Inadequate Insurance for Tort Claim. In the event a tort claim is made and there is no, or inadequate, insurance in effect as required under this Compact, the enterprise shall be deemed to be in default hereunder unless, within ten (10) days of a demand by the SCA or a claimant to do so, the enterprise has posted in an irrevocable escrow account at a state or federally chartered bank which is not owned or controlled by the tribe, sufficient cash, a bond or other security sufficient to cover any award that might be made within the limits set forth in paragraph 1 of subsection A of this Part, and informs the claimant and the state of:

1. The posting of the cash or bond;
2. The means by which the deposit can be independently verified as to the amount and the fact that it is irrevocable until the matter is finally resolved;
3. The right of the claimant to have this claim satisfied from the deposit if the claimant is successful on the claim; and
4. The notice and hearing opportunities in accordance with the tribe's tort law, if any, otherwise in accordance with principles of due process, which will be afforded to the claimant so that the intent of this Compact to provide claimants with a meaningful opportunity to seek a just remedy under fair conditions will be fulfilled.

Part 7. ENFORCEMENT OF COMPACT PROVISIONS

A. The tribe and TCA shall be responsible for regulating activities pursuant to this Compact. As part of its responsibilities, the tribe shall require the enterprise do the following:

1. Operate the conduct of covered games in compliance with this Compact, including, but not limited to, the standards and the tribe's rules and regulations;

2. Take reasonable measures to assure the physical safety of enterprise patrons and personnel, prevent illegal activity at the facility, and protect any rights of patrons under the Indian Civil Rights Act, 25 U.S.C., Sec. 1302-1303;

3. Promptly notify appropriate law enforcement authorities of persons who may be involved in illegal acts in accordance with applicable law;

4. Assure that the construction and maintenance of the facility meets or exceeds federal and tribal standards for comparable buildings; and

5. Prepare adequate emergency access plans to ensure the health and safety of all covered game patrons. Upon the finalization of emergency access plans, the TCA or enterprise shall forward copies of such plans to the SCA.

B. All licenses for members and employees of the TCA shall be issued according to the same standards and terms applicable to facility employees. The TCA shall employ qualified compliance officers under the authority of the TCA. The compliance officers shall be independent of the enterprise, and shall be supervised and accountable only to the TCA. A TCA compliance officer shall be available to the facility during all hours of operation upon reasonable notice, and shall have immediate access to any and all areas of the facility for the purpose of ensuring compliance with the provisions of this Compact. The TCA shall investigate any such suspected or reported violation of this Compact and shall require the enterprise to correct such violations. The TCA shall officially enter into its files timely written reports of investigations and any action taken thereon, and shall forward copies of such reports to the SCA within fifteen (15) days of such filing. Any such violations shall be reported immediately to the TCA, and the TCA shall immediately forward the same to the SCA. In addition, the TCA shall promptly report to the SCA any such violations which it independently discovers.

C. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact, representatives of the TCA and the SCA shall meet, not less than on an annual basis, to review past practices and examine methods to improve the regulatory scheme created by this Compact. The meetings shall take place at a location mutually agreed to by the TCA and the SCA. The SCA, prior to or during such meetings, shall disclose to the TCA any concerns, suspected activities, or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

Part 8. STATE MONITORING OF COMPACT

A. The SCA shall, pursuant to the provisions of this Compact, have the authority to monitor the conduct of covered games to ensure

that the covered games are conducted in compliance with the provisions of this Compact. In order to properly monitor the conduct of covered games, agents of the SCA shall have reasonable access to all areas of the facility related to the conduct of covered games as provided herein:

1. Access to the facility by the SCA shall be during the facility's normal operating hours only; provided that to the extent such inspections are limited to areas of the facility where the public is normally permitted, SCA agents may inspect the facility without giving prior notice to the enterprise;

2. Any suspected or claimed violations of this Compact or of law shall be directed in writing to the TCA; SCA agents shall not interfere with the functioning of the enterprise; and

3. Before SCA agents enter any nonpublic area of the facility, they shall provide proper photographic identification to the TCA. SCA agents shall be accompanied in nonpublic areas of the facility by a TCA agent. A one-hour notice by SCA to the TCA may be required to assure that a TCA officer is available to accompany SCA agents at all times.

B. Subject to the provisions herein, agents of the SCA shall have the right to review and copy documents of the enterprise related to its conduct of covered games. The review and copying of such documents shall be during normal business hours or hours otherwise at tribe's discretion. However, the SCA shall not be permitted to copy those portions of any documents of the enterprise related to its conduct of covered games that contain business or marketing strategies or other proprietary and confidential information of the enterprise, including, but not limited to, customer lists, business plans, advertising programs, marketing studies, and customer demographics or profiles. No documents of the enterprise related to its conduct of covered games or copies thereof shall be released to the public by the state under any circumstances. All such documents shall be deemed confidential documents owned by the tribe and shall not be subject to public release by the state.

C. At the completion of any SCA inspection or investigation, the SCA shall forward a written report thereof to the TCA. The TCA shall be apprised on a timely basis of all pertinent, nonconfidential information regarding any violation of federal, state, or tribal laws, the rules or regulations, or this Compact. Nothing herein prevents the SCA from contacting tribal or federal law enforcement authorities for suspected criminal wrongdoing involving the TCA. TCA may interview SCA inspectors upon reasonable notice and examine work papers and SCA in the same fashion that SCA inspectors may examine auditors' notes and make auditor inquiry unless providing such information to the TCA will compromise the interests sought to be protected. If the SCA determines that providing the information to the TCA will compromise the interests sought to be protected, then

the SCA shall provide such information to the tribe in accordance with Part 13 of this Compact.

D. Nothing in this Compact shall be deemed to authorize the state to regulate the tribe's government, including the TCA, or to interfere in any way with the tribe's selection of its governmental officers, including members of the TCA; provided, however, the SCA and the tribe, upon request of the tribe, shall jointly employ, at the tribe's expense, an independent firm to perform on behalf of the SCA the duties set forth in subsections A and B of this Part.

Part 9. JURISDICTION

This Compact shall not alter tribal, federal or state civil adjudicatory or criminal jurisdiction.

Part 10. LICENSING

A. 1. Except as provided in paragraph 6 of Part 3 of this Compact, no covered game employee shall be employed at a facility or by an enterprise unless such person is licensed in accordance with this Compact. In addition to the provisions of this Part which are applicable to the licensing of all covered game employees, the requirements of 25 C.F.R., Part 556, Background Investigations for Primary Management Officials and Key Employees, and 25 C.F.R., Part 558, Gaming Licenses for Key Employees and Primary Management Officials, apply to Key Employees and Primary Management Officials of the facility and enterprise.

2. All prospective covered game employees shall apply to the TCA for a license. Licenses shall be issued for periods of no more than two (2) years, after which they may be renewed only following review and update of the information upon which the license was based; provided, the TCA may extend the period in which the license is valid for a reasonable time pending the outcome of any investigation being conducted in connection with the renewal of such license. In the event the SCA contends that any such extension is unreasonable, it may seek resolution of that issue pursuant to Part 11 of this Compact.

3. The application process shall require the TCA to obtain sufficient information and identification from the applicant to permit a background investigation to determine if a license should be issued in accordance with this Part and the rules and regulations. The TCA shall obtain information about a prospective covered game employee that includes:

- a. full name, including any aliases by which applicant has ever been known,
- b. social security number,
- c. date and place of birth,
- d. residential addresses for the past five (5) years,
- e. employment history for the past five (5) years,
- f. driver license number,

- g. all licenses issued and disciplinary charges filed, whether or not discipline was imposed, by any state or tribal regulatory authority,
- h. all criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party,
- i. a set of fingerprints,
- j. a current photograph,
- k. military service history, and
- l. any other information the TCA determines is necessary to conduct a thorough background investigation.

4. Upon obtaining the required initial information from a prospective covered game employee, the TCA shall forward a copy of such information to the SCA, along with any determinations made with respect to the issuance or denial of a temporary or permanent license. The SCA may conduct its own background investigation of the applicant at SCA expense, shall notify the TCA of such investigation within a reasonable time from initiation of the investigation, and shall provide a written report to the TCA of the outcome of such investigation within a reasonable time from the receipt of a request from the TCA for such information. SCA inspector field notes and the SCA inspector shall be available upon reasonable notice for TCA review and inquiry.

5. The TCA may issue a temporary license for a period not to exceed ninety (90) days, and the enterprise may employ on a probationary basis, any prospective covered game employee who represents in writing that he or she meets the standards set forth in this Part, provided the TCA or enterprise is not in possession of information to the contrary. The temporary license shall expire at the end of the ninety-day period or upon issuance or denial of a permanent license, whichever event occurs first. Provided that the temporary license period may be extended at the discretion of the TCA so long as good faith efforts are being made by the applicant to provide required information, or the TCA is continuing to conduct its investigation or is waiting on information from others, and provided further that in the course of such temporary or extended temporary licensing period, no information has come to the attention of the TCA which, in the absence of countervailing information then in the record, would otherwise require denial of license. A permanent license shall be issued or denied within a reasonable time following the completion of the applicant's background investigation.

6. In covered gaming the tribe shall not employ and shall terminate, and the TCA shall not license and shall revoke a license previously issued to, any covered game employee who:

- a. has been convicted of any felony or an offense related to any covered games or other gaming activity,

- b. has knowingly and willfully provided false material, statements or information on his or her employment application, or
- c. is a person whose prior activities, criminal record, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of the conduct of covered games, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of covered games or the carrying on of the business and financial arrangements incidental thereto.

7. The SCA may object to the employment of any individual by the enterprise based upon the criteria set forth in paragraph 6 of subsection A of this Part. Such objection shall be in writing setting forth the basis of the objection. The SCA inspector's work papers, notes and exhibits which formed the SCA conclusion shall be available upon reasonable notice for TCA review. The enterprise shall have discretion to employ an individual over the objection of the SCA.

8. The TCA shall have the discretion to initiate or continue a background investigation of any licensee or license applicant and to take appropriate action with respect to the issuance or continued validity of any license at any time, including suspending or revoking such license.

9. The TCA shall require all covered game employees to wear, in plain view, identification cards issued by the TCA which include a photograph of the employee, his or her first name, a four-digit identification number unique to the license issued to the employee, a tribal seal or signature verifying official issuance of the card, and a date of expiration, which shall not extend beyond such employee's license expiration date.

B. 1. Any person or entity who, directly or indirectly, provides or is likely to provide at least Twenty-five Thousand Dollars (\$25,000.00) in goods or services to the enterprise in any twelve-month period, or who has received at least Twenty-five Thousand Dollars (\$25,000.00) for goods or services provided to the enterprise in any consecutive twelve-month period within the immediately preceding twenty-four-month period, or any person or entity who provides through sale, lease, rental or otherwise covered games, or parts, maintenance or service in connection therewith to the tribe or the enterprise at any time and in any amount, shall be licensed by the TCA prior to the provision thereof. Provided, that attorneys or certified public accountants and their firms shall be exempt from the licensing requirement herein to the extent that they are providing services covered by their professional licenses.

2. Background investigations and licensing shall follow the same process and apply the same criteria as for covered game employees set forth in paragraph 6 of subsection A of this Part.

3. In the case of a license application of any entity, all principals thereof shall be subjected to the same background investigation required for the licensing of a covered game employee, but no license as such need be issued; provided, no license shall be issued to the entity if the TCA determines that one or more of its principals will be persons who would not be qualified to receive a license if they applied as covered game employees.

4. Nothing herein shall prohibit the TCA from processing and issuing a license to a principal in his or her own name.

5. Licenses issued under this subsection shall be reviewed at least every two (2) years for continuing compliance, and shall be promptly revoked if the licensee is determined to be in violation of the standards set forth in paragraph 6 of subsection A of this Part. In connection with such a review, the TCA shall require the person or entity to update all information provided in the previous application.

6. The enterprise shall not enter into, or continue to make payments pursuant to, any contract or agreement for the provision of goods or services with any person or entity who does not meet the requirements of this Part including, but not limited to, any person or entity whose application to the TCA for a license has been denied, or whose license has expired or been suspended or revoked.

7. Pursuant to 25 C.F.R., Part 533, all management contracts must be approved by the Chair of the National Indian Gaming Commission. The SCA shall be notified promptly after any such approval.

8. In addition to any licensing criteria set forth above, if any person or entity seeking licensing under this subsection is to receive any fee or other payment based on the revenues or profits of the enterprise, the TCA may take into account whether or not such fee or other payment is fair in light of market conditions and practices.

C. 1. Subject to the exceptions set forth in paragraph 4 of this subsection, any person or entity extending financing, directly or indirectly, to the facility or enterprise in excess of Fifty Thousand Dollars (\$50,000.00) in any twelve-month period shall be licensed prior to providing such financing. Principals thereof shall be subjected to background investigations and determinations in accordance with the procedures and standards set forth in subsection A of this Part. Licenses issued under this section shall be reviewed at least every two (2) years for continuing compliance, and shall be promptly revoked if the licensee is determined to be in violation of the standards set forth in paragraph 6 of subsection A of this Part. In connection with such a review, the TCA shall require the person or

entity to update all information provided in the previous application.

2. The SCA shall be notified of all financing and loan transactions with respect to covered games or supplies in which the amount exceeds Fifty Thousand Dollars (\$50,000.00) in any twelve-month period, and shall be entitled to review copies of all agreements and documents in connection therewith.

3. A supplier of goods or services who provides financing exclusively in connection with the sale or lease of covered games equipment or supplies shall be licensed solely in accordance with licensing procedures applicable, if at all, to such suppliers herein.

4. Financing provided by a federally regulated or state-regulated bank, savings and loan, or trust, or other federally or state-regulated lending institution; any agency of the federal, state, tribal or local government; or any person or entity, including, but not limited to, an institutional investor who, alone or in conjunction with others, lends money through publicly or commercially traded bonds or other commercially traded instruments, including but not limited to the holders of such bonds or instruments or their assignees or transferees, or which bonds or commercially traded instruments are underwritten by any entity whose shares are publicly traded or which underwriter, at the time of the underwriting, has assets in excess of One Hundred Million Dollars (\$100,000,000.00), shall be exempt from the licensing and background investigation requirements in subsection B of this Part or this subsection.

D. In the event the SCA objects to a lender, vendor or any other person or entity within subsection B or C of this Part seeking to do business with the enterprise, or to the continued holding of a license by such person or entity, it may notify the TCA of its objection. The notice shall set forth the basis of the objection with sufficient particularity to enable the TCA to investigate the basis of the objection. The SCA inspector and SCA inspector field notes shall be available for TCA review and inquiry. Within a reasonable time after such notification, the TCA shall report to the SCA on the outcome of its investigation and of any action taken or decision not to take action.

Part 11. EXCLUSIVITY AND FEES

A. The parties acknowledge and recognize that this Compact provides tribes with substantial exclusivity and, consistent with the goals of IGRA, special opportunities for tribal economic opportunity through gaming within the external boundaries of Oklahoma in respect to the covered games. In consideration thereof, so long as the state does not change its laws after the effective date of this Compact to permit the operation of any additional form of gaming by any such organization licensee, or change its laws to permit any additional

electronic or machine gaming within Oklahoma, the tribe agrees to pay the following fees:

1. The tribe covenants and agrees to pay to the state a fee derived from covered game revenues calculated as set forth in paragraph 2 of this subsection. Such fee shall be paid no later than the twentieth day of the month for revenues received by the tribe in the preceding month; and

2. The fee shall be:

- a. four percent (4%) of the first Ten Million Dollars (\$10,000,000.00) of adjusted gross revenues received by a tribe in a calendar year from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games,
- b. five percent (5%) of the next Ten Million Dollars (\$10,000,000.00) of adjusted gross revenues received by a tribe in a calendar year from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games,
- c. six percent (6%) of all subsequent adjusted gross revenues received by a tribe in a calendar year from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games, and
- d. ten percent (10%) of the monthly net win of the common pool(s) or pot(s) from which prizes are paid for nonhouse-banked card games. The tribe is entitled to keep an amount equal to state payments from the common pool(s) or pot(s) as part of its cost of operating the games.

Payments of such fees shall be made to the Treasurer of the State of Oklahoma. Nothing herein shall require the allocation of such fees to particular state purposes, including, but not limited to, the actual costs of performing the state's regulatory responsibilities hereunder.

B. Annual oversight assessment. In addition to the fee provided for in subsection A of this Part, the state shall be entitled to payment for its costs incurred in connection with the oversight of covered games to the extent provided herein, "annual oversight assessment". The annual oversight assessment, which shall be Thirty-five Thousand Dollars (\$35,000.00), shall be determined and paid in advance on a fiscal year basis for each twelve (12) months ending on June 30 of each year.

C. Upon the effective date of this Compact, the tribe shall deposit with the SCA the sum of Fifty Thousand Dollars (\$50,000.00) ("start-up assessment"). The purpose of the start-up assessment shall be to assist the state in initiating its administrative and

oversight responsibilities hereunder and shall be a one-time payment to the state for such purposes.

D. Nothing in this Compact shall be deemed to authorize the state to impose any tax, fee, charge or assessment upon the tribe or enterprise except as expressly authorized pursuant to this Compact; provided that, to the extent that the tribe is required under federal law to report prizes awarded, the tribe agrees to copy such reports to the SCA.

E. In consideration for the covenants and agreements contained herein, the state agrees that it will not, during the term of this Compact, permit the nontribal operation of any machines or devices to play covered games or electronic or mechanical gaming devices otherwise presently prohibited by law within the state in excess of the number and outside of the designated locations authorized by the State-Tribal Gaming Act. The state recognizes the importance of this provision to the tribe and agrees, in the event of a breach of this provision by the state, to require any nontribal entity which operates any such devices or machines in excess of such number or outside of the designated location to remit to the state at least quarterly no less than fifty percent (50%) of any increase in the entities' adjusted gross revenues following the addition of such excess machines. The state further agrees to remit at least quarterly to eligible tribes, as liquidated damages, a sum equal to fifty percent (50%) of any increase in the entities' adjusted gross revenues following the addition of such excess machines. For purposes of this Part, "eligible tribes" means those tribes which have entered into this Compact and are operating gaming pursuant to this Compact within forty-five (45) miles of an entity which is operating covered game machines in excess of the number authorized by, or outside of the location designated by, the State-Tribal Gaming Act. Such liquidated damages shall be allocated pro rata to eligible tribes based on the number of covered game machines operated by each Eligible Tribe in the time period when such adjusted gross revenues were generated.

F. In consideration for the covenants and agreements contained herein, the tribe agrees that in the event it has currently or locates in the future a facility within a radius of twenty (20) miles from a recipient licensee as that term is defined in subsection K of Section 263 of this title that it shall comply with the requirements of subsection K of Section 263 of this title.

Part 12. DISPUTE RESOLUTION

In the event that either party to this Compact believes that the other party has failed to comply with any requirement of this Compact, or in the event of any dispute hereunder, including, but not limited to, a dispute over the proper interpretation of the terms and conditions of this Compact, the following procedures may be invoked:

1. The goal of the parties shall be to resolve all disputes amicably and voluntarily whenever possible. A party asserting noncompliance or seeking an interpretation of this Compact first shall serve written notice on the other party. The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify in detail the asserting party's contention and any factual basis for the claim. Representatives of the tribe and state shall meet within thirty (30) days of receipt of notice in an effort to resolve the dispute;

2. Subject to the limitation set forth in paragraph 3 of this Part, either party may refer a dispute arising under this Compact to arbitration under the rules of the American Arbitration Association (AAA), subject to enforcement or pursuant to review as provided by paragraph 3 of this Part by a federal district court. The remedies available through arbitration are limited to enforcement of the provisions of this Compact. The parties consent to the jurisdiction of such arbitration forum and court for such limited purposes and no other, and each waives immunity with respect thereto. One arbitrator shall be chosen by the parties from a list of qualified arbitrators to be provided by the AAA. If the parties cannot agree on an arbitrator, then the arbitrator shall be named by the AAA. The expenses of arbitration shall be borne equally by the parties.

A party asserting noncompliance or seeking an interpretation of this Compact under this section shall be deemed to have certified that to the best of the party's knowledge, information, and belief formed after reasonable inquiry, the claim of noncompliance or the request for interpretation of this Compact is warranted and made in good faith and not for any improper purpose, such as to harass or to cause unnecessary delay or the needless incurring of the cost of resolving the dispute. If the dispute is found to have been initiated in violation of this Part, the Arbitrator, upon request or upon his or her own initiative, shall impose upon the violating party an appropriate sanction, which may include an award to the other party of its reasonable expenses incurred in having to participate in the arbitration; and

3. Notwithstanding any provision of law, either party to the Compact may bring an action against the other in a federal district court for the de novo review of any arbitration award under paragraph 2 of this Part. The decision of the court shall be subject to appeal. Each of the parties hereto waives immunity and consents to suit therein for such limited purposes, and agrees not to raise the Eleventh Amendment to the United States Constitution or comparable defense to the validity of such waiver.

Nothing herein shall be construed to authorize a money judgment other than for damages for failure to comply with an arbitration decision requiring the payment of monies.

Part 13. CONSTRUCTION OF COMPACT; FEDERAL APPROVAL

A. Each provision, section, and subsection of this Compact shall stand separate and independent of every other provision, section, or subsection. In the event that a federal district court shall find any provision, section, or subsection of this Compact to be invalid, the remaining provisions, sections, and subsections of this Compact shall remain in full force and effect, unless the invalidated provision, section or subsection is material.

B. Each party hereto agrees to defend the validity of this Compact and the legislation in which it is embodied. This Compact shall constitute a binding agreement between the parties and shall survive any repeal or amendment of the State-Tribal Gaming Act.

C. The parties shall cooperate in seeking approval of this Compact from an appropriate federal agency as a tribal-state compact under the Indian Gaming Regulatory Act.

D. The standards for electronic bonanza-style bingo games, electronic instant bingo games and electronic amusement games established in the State-Tribal Gaming Act as enacted in 2004, and, at the election of the tribe, any standards contained in the Oklahoma Horse Racing Commission rules issued pursuant to subsection B of Section 268 of this title are hereby incorporated in this Compact and shall survive any repeal of the State-Tribal Gaming Act, or any games authorized thereunder. In the event that any of said standards are changed by amendment of the State-Tribal Gaming Act, the tribe shall have the option to incorporate said changes into this Compact by delivery of written notice of said changes to the Governor and the SCA.

Part 14. NOTICES

All notices required under this Compact shall be given by certified mail, return receipt requested, commercial overnight courier service, or personal delivery, to the following persons:

Governor

Chair, State-Tribal Relations Committee

Attorney General

[Principal Chief, Governor or Chair]

[Name of Tribe]

[Address]

With copies to:

Part 15. DURATION AND NEGOTIATION

A. This Compact shall become effective upon the last date of the satisfaction of the following requirements:

1. Due execution on behalf of the tribe, including obtaining all tribal resolutions and completing other tribal procedures as may be necessary to render the tribe's execution effective;

2. Approval of this Compact by the Secretary of the Interior as a tribal-state compact within the meaning of IGRA and publication in

the Federal Register or satisfaction of any other requirement of federal law; and

3. Payment of the start-up assessment provided for in subsection C of Part 11 of this Compact.

B. This Compact shall have a term which will expire on January 1, 2020, and at that time, if organization licensees or others are authorized to conduct electronic gaming in any form other than pari-mutuel wagering on live horse racing pursuant to any governmental action of the state or court order following the effective date of this Compact, the Compact shall automatically renew for successive additional fifteen-year terms; provided that, within one hundred eighty (180) days of the expiration of this Compact or any renewal thereof, either the tribe or the state, acting through its Governor, may request to renegotiate the terms of subsections A and E of Part 11 of this Compact.

C. This Compact shall remain in full force and effect until the sooner of expiration of the term or until the Compact is terminated by mutual consent of the parties.

D. This Compact may be terminated by state upon thirty (30) days' prior written notice to the tribe in the event of either (1) a material breach by the tribe of the terms of a tobacco Compact with the state as evidenced by a final determination of material breach from the dispute resolution forum agreed upon therein, including exhaustion of all available appellate remedies therefrom, or (2) the tribe's failure to comply with the provisions of Section 346 et seq. of Title 68 of the Oklahoma Statutes, provided that the tribe may cure either default within the thirty-day notice period, or within such additional period as may be reasonably required to cure the default, in order to preserve continuation of this Compact.

The state hereby agrees that this subsection is severable from this Compact and shall automatically be severed from this Compact in the event that the United States Department of the Interior determines that these provisions exceed the state's authority under IGRA.

Part 16. AUTHORITY TO EXECUTE

This Compact, as an enactment of the people of Oklahoma, is deemed approved by the State of Oklahoma. No further action by the state or any state official is necessary for this Compact to take effect upon approval by the Secretary of the Interior and publication in the Federal Register. The undersigned tribal official(s) represents that he or she is duly authorized and has the authority to execute this Compact on behalf of the tribe for whom he or she is signing.

APPROVED:

[Name of Tribe]

[CHIEF EXECUTIVE OFFICER]

Date _____

Added by Laws 2004, c. 316, § 22, State Question No. 712, Legislative Referendum No. 335, adopted at election held on Nov. 2, 2004.
Amended by Laws 2012, c. 304, § 24.

§3A-282. Organization Gaming License Fees - Oklahoma Horse Racing Commission Gaming Regulation Revolving Fund - Occupation Gaming License Fees.

A. The Oklahoma Horse Racing Commission is authorized to charge an application fee of Fifty Thousand Dollars (\$50,000.00) to each organization licensee which desires to conduct gaming pursuant to the State-Tribal Gaming Act or which receives any funds as a "recipient licensee" as that term is defined by the State-Tribal Gaming Act and desires to conduct pari-mutuel wagering in this state. Such fee must be paid prior to any organization licensee being authorized by the Oklahoma Horse Racing Commission to conduct gaming pursuant to the State-Tribal Gaming Act.

B. In addition to the application fee authorized in subsection A of this section and the fees authorized in subsection F of this section, the Oklahoma Horse Racing Commission is hereby authorized to assess a fee upon each organization licensee authorized by the State-Tribal Gaming Act to conduct gaming authorized by the State-Tribal Gaming Act to provide adequate funding to the Oklahoma Horse Racing Commission for the regulation of such gaming in this state.

C. The assessment authorized by subsection B shall be proportional to the number of player terminals an organization licensee is licensed to operate pursuant to the State-Tribal Gaming Act.

D. The Commission may provide that each licensee shall pay any assessment levied pursuant to subsection B of this section on a quarterly, semi-annual or annual basis. Notice of the assessment shall be sent by certified mail, return receipt requested, to each licensee. Each licensee shall pay the amount assessed to the Commission for deposit to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund. The Commission shall establish the dates by which such assessment shall be due.

E. The application fee authorized in subsection A of this section and any assessment authorized in subsection B of this section and any fee authorized in subsection F of this section collected by the Commission shall be deposited in the "Oklahoma Horse Racing Commission Operational Expenses Revolving Fund". On the effective date of this act, the Oklahoma Horse Racing Commission Gaming Regulation Revolving Fund shall be closed and any unencumbered balance shall be transferred to the Oklahoma Horse Racing Commission Operational Expenses Revolving Fund created by Section 1 of this act.

F. The Oklahoma Horse Racing Commission shall issue occupation gaming licenses and charge to the applicants therefore the related license application fees, investigative fees and fingerprint fees

authorized in this subsection. An occupation gaming license is any of the following gaming licenses issued by the Commission.

Manufacturer License	\$10,000.00
Distributor License	\$5,000.00
Manufacturer/Distributor License	\$10,000.00
Independent Testing Laboratory License	\$5,000.00
Vendor License	\$500.00
Key Executive License	\$250.00
Gaming Employee License	\$50.00
Manufacturer, Distributor, or Manufacturer/Distributor Employee License	\$50.00
Vendor Employee License	\$50.00

Background Investigative fee for the following occupation gaming license categories:

Manufacturer, Distributor, Manufacturer/Distributor, Independent Testing Laboratory, Racetrack Gaming Operator, Key Executive	\$50.00 per hour
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plus expenses

Background Investigative fee for the following occupation gaming license categories:

Gaming Employee, Vendor Employee	\$50.00
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Fingerprint fees shall be charged as required by the Oklahoma State Bureau of Investigation and the Federal Bureau of Investigation. Added by Laws 2004, c. 487, § 1, eff. Nov. 2, 2004. Amended by Laws 2005, c. 148, § 1, emerg. eff. May 9, 2005; Laws 2012, c. 304, § 25; Laws 2017, c. 116, § 7, eff. July 1, 2017.

NOTE: Laws 2004, c. 487, § 4 provides: "This act shall become effective upon certification of election returns favoring passage of the legislative referendum proposed in Senate Bill No. 1252 of the 2nd Session of the 49th Oklahoma Legislature." State Question No. 712, Legislative Referendum No. 335, was adopted at election held on Nov. 2, 2004.

§3A-301. Amateur sports organizations seeking national affiliation or membership - Exemptions - Eligibility standards - Nondiscrimination requirement - Penalties.

A. As used in this act:

1. "Amateur athlete" means any athlete who meets the eligibility standards established by the national governing body for the sport in which the athlete competes;

2. "Amateur athletic competition" means a contest, game, meet, match, tournament, regatta, or other event in which amateur athletes compete;

3. "Amateur sports organization" means a not-for-profit corporation, club, federation, union, association, or other group organized in the United States or the State of Oklahoma which sponsors or arranges any amateur athletic competition;

4. "Corporation" means the United States Olympic Corporation;

5. "National governing body" means an amateur sports organization which is recognized by the Corporation in accordance with Section 391 of the Amateur Sports Act of 1978, 36 U.S.C., Section 371 et seq.; and

6. "Sanction" means a certificate of approval issued by a national governing body.

B. The provision of this section shall apply to those amateur sports organizations that have been or are currently seeking recognition, sanction, associate membership, affiliate membership or full membership of the national governing body for the sport in which the athletes or teams compete.

C. All public or private schools affiliated with the Oklahoma Secondary Schools Activities Association (OSSAA) which sponsors or conducts amateur athletes or athletic competition shall not be considered an amateur sports organization under the provisions of this section, provided however such schools shall comply with the OSSAA guidelines concerning discriminatory practices against amateur athletes.

D. All public and private organizations or religious-based organizations or individuals who sponsor, support or conduct an amateur sports organization or athletic competition that is not officially sanctioned or is not seeking sanction as a full, affiliate or associate member of the national governing body for the sport being played, as defined by Section 373 of the Amateur Sports Act of 1978, 36 U.S.C., Section 371 et seq., shall not be subject to this section and shall have exclusive jurisdiction over such competition and shall be entitled to establish eligibility standards, provided however those standards do not conflict with federal or state law or established standards set by a governing body for which the organization or individual may seek affiliation or membership at the local, state or regional level.

E. All amateur sports organizations shall follow the eligibility standards established by the national governing body for the sport in which the athlete competes and shall:

1. Demonstrate that its membership is open to all individual amateur athletes, teams, coaches, trainers, managers, administrators or officials who seek membership, and to all amateur sports organizations which conduct programs in the sport for which membership is sought;

2. Provide an equal opportunity to all amateur athletes, teams, coaches, trainers, managers, administrators and officials to participate in amateur athletic competition without discrimination on the basis of race, color, religion, age, sex, geographical boundaries or national origin; and to provide fair notice and an opportunity for hearing to any amateur athlete, team, coach, trainer, manager, administrator or official before determining that such individual or team is ineligible to participate;

3. Not have eligibility criteria relating to amateur status which are more restrictive than those of the appropriate international sports federation;

4. Provide equitable support and encouragement to women for participation in athletic competition where separate programs for male and female athletes are conducted on a statewide basis;

5. Encourage and support amateur athletic sports programs for handicapped individuals in amateur athletic activity including, where feasible, expanding the opportunities for meaningful participation by handicapped individuals in athletic competition for able-bodied individuals; and

6. Encourage and provide assistance to amateur athletes of racial and ethnic minorities for the purpose of eliciting the participation of such minorities in amateur athletic activities in which they are underrepresented.

F. All amateur athletes or teams who are members of an amateur sports organization shall not be restricted from playing either recreational or competitive sports due to race, color, religion, age, sex, geographical boundaries or national origin.

G. Any person, officer or amateur sports organization, as defined by the Amateur Sports Act of 1978, 36 U.S.C., Section 373 and by the provisions of this section, knowingly violating the provisions of subsection F of this section shall be guilty of a misdemeanor and, upon conviction, shall be imprisoned in the county jail for not more than six (6) months or fined not more than Five Hundred Dollars (\$500.00), or both such fine and imprisonment; and knowing violation of any of the provisions of this section may subject such persons or organization to civil penalties.

Added by Laws 1992, c. 194, § 1.

§3A-401. Short title - Purpose - Findings.

A. Sections 2 through 28 of this act shall be known and may be cited as the "Oklahoma Charity Games Act".

B. For the protection of charitable organizations and the general public seeking to assist such organizations through participation in certain charity organized activities, the Legislature declares that it is necessary to restrict the conducting of certain games of chance by enacting an Oklahoma Charity Games Act. Such restrictions are for the purpose of authorizing the conducting

of certain games of chance to certain organizations which function exclusively for charitable purposes in conformance with state and federal laws regulating such organizations.

The Legislature finds that it is in the interest of the health, welfare, and safety of the citizens of the State of Oklahoma that games of chance offered to the public by other than charitable organizations which are commonly referred to as "commercial bingo" or "commercial operations" are hereby prohibited in this state.

The Legislature further finds that offering to the public certain types of games of chance including but not limited to games commonly referred to as bingo games and other types of instant winner games by other than a licensed organization is declared to be a "commercial operation" and is in violation of the law.

Added by Laws 1992, c. 328, § 2, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-402. Definitions.

As used in the Oklahoma Charity Games Act, Section 401 et seq. of this title:

1. "Bingo" means a game in which each player receives a bingo face and covers the squares according to the numbers, letters, or combination of numbers and letters that have been announced by the caller. The numbers and letters called are on an object selected at random either manually or mechanically from a receptacle in which have been placed the objects bearing the numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the bingo face squares. The winner of each bingo game is the player who first properly covers a predetermined and announced pattern of squares upon the bingo face being used by the player;

2. "Bingo face" means a flat piece of paper which is marked off into any number of squares in any arrangement of rows, with each square being designated by number, letter or combination of numbers and letters and with one or more squares designated as a "free" space with the word "Oklahoma" and a facsimile outline of a map of Oklahoma in it, which cannot be reused after the game in which a player has used it is over;

3. "Breakopen ticket card" means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal a number, letter, symbol, or set of letters or symbols, a few of which numbers, letters or symbols out of every set of charity game tickets have been designated in advance at random as prize winners and which is used in a breakopen ticket game;

4. "Breakopen ticket game" means a game wherein a player receives a breakopen ticket card. A breakopen ticket game shall meet the following criteria:

- a. the game shall be assembled so that no placement of winners or losers exists that allows the possibility of prize manipulation,
- b. the concealed numbers, letters, or symbols shall not be visible from the outside of the game using high intensity lamps. Protection shall be provided by the opaque paper stock employed, with the possible addition of colors and printed blackout patterns or by use of an aluminum foil laminate,
- c. a unique symbol or printed security device, such as a specific number keyed to particular winners or the name of the symbol or some of the symbol colors changed for a window, or other similar protection shall be placed in the winning windows of prize windows to ensure that the winner image is unique,
- d. it shall not be possible to detect or pick out winning from losing tickets through variations in printing graphics, color, or use of different printing plates,
- e. it shall not be possible to isolate winning or potential winning tickets from minor variations in size or cutting of the tickets comprising a particular packet, and
- f. each ticket in a game shall have a serial number. All tickets in a game shall have the same serial number appearing in a conspicuous place on the ticket;

5. "Business entity" means a person, company, corporation, or partnership organized for profit;

6. "Charity game" means a bingo game, U-PIK-EM bingo game, or breakopen ticket game conducted by an organization pursuant to the provisions of the Oklahoma Charity Games Act;

7. "Charity game equipment" means any object uniquely designed for use in the conducting of a charity game including, but not limited to, bingo faces, U-PIK-EM bingo game sets, and breakopen ticket cards. Items used in conducting charity games which are not charity game equipment are ink markers, furniture and general furnishings of rooms where charity games are conducted;

8. "Commission" or "ABLE Commission" means the Alcoholic Beverage Laws Enforcement Commission;

9. "Day session" means the set time frame within which conducting of charity games is authorized beginning no earlier than 10:00 a.m. and ending no later than 5:00 p.m.;

10. "Deal" means one series of breakopen ticket game cards which has a stated number of winner payouts and a stated amount of the payouts;

11. "Distributor" means a person or business entity that sells, markets, or otherwise provides charity game equipment to an organization;

12. "Doing business" means either conducting a charity game by an organization or providing goods or services to an organization by a business entity;

13. "Employee" means a person who works for compensation in a licensed charity game establishment;

14. "Immediate family member" means a spouse, parent, child or sibling or spouse of a parent, child or sibling of a resident of a facility exempt from specific provisions of the Oklahoma Charity Games Act as provided in subsection C of Section 405 of this title;

15. "Licensee" means any person, organization, or business entity which has received a license from the Commission;

16. "Location" means the building, including the individual rooms and equipment in the rooms, grounds, and appurtenances, including adjacent premises if subject to the direct or indirect control of the organization while conducting a charity game, which are used in connection with or in furtherance of the conducting of a charity game;

17. "Manager" means a person who:

- a. is an employee of an organization,
- b. has supervisory authority over other employees or over the conduct of charity games, and
- c. has been designated as such by the organization pursuant to the provisions of subsection D of Section 408 of this title;

18. "Manufacturer" means a person or business entity that assembles from raw materials, supplies, or subparts to form a completed series of charity game equipment for use in charity games and that sells, markets, or otherwise provides such equipment to a distributor;

19. "Night session" means the set time frame within which conducting of charity games is authorized beginning no earlier than 5:00 p.m. and ending no later than 12:00 p.m. midnight;

20. "Organization" means a religious, charitable, labor, fraternal, educational, or other type of association or any branch, lodge, chapter, or auxiliary of such association which:

- a. operates without profit to its members,
- b. has been in existence and been operating as a nonprofit organization for not less than two (2) years prior to applying for an organization license,
- c. is exempt from taxation pursuant to the provisions of paragraphs (3), (4), (5), (6), (7), (8), (9), (10), or (19) of subsection (c) of Section 501 or paragraph (1) of subsection (a) of Section 509 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq. or Section 509(a)(1), and
- d. formulates bylaws which clearly identify and establish:
 - (1) method of electing officers and their duties,

- (2) method by which members are elected, initiated or admitted,
- (3) the rights and privileges of each member,
- (4) that each member has one vote, and
- (5) that membership rights are personal to the member and not assignable;

21. "Progressive game" means a game in which prizes are allowed to be carried over and increased from session to session;

22. "U-PIK-EM bingo game" means a game played wherein a player writes the numbers on a U-PIK-EM bingo game set. The player retains one sheet of the set and deposits the second sheet in a receptacle in the control of the organization. The player then covers the numbers as the caller announces a number. The numbers called are on an object selected at random either manually or mechanically from a receptacle in which have been placed the objects bearing the numbers. The winner of each U-PIK-EM bingo game is the player who first covers all the numbers appearing on the retained sheet in accordance with the pattern as designated on the sheet; and

23. "U-PIK-EM bingo game set" means two paper sheets of carbonless paper both bearing identical serial numbers on which a player writes numbers or letters, wherein one sheet is retained by the player and used for playing and one sheet is held by the organization and used for verifying winners.

Added by Laws 1992, c. 328, § 3, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1993, c. 305, § 3, eff. July 1, 1993; Laws 1997, c. 280, § 1, eff. July 1, 1997.

§3A-403. Licensing authority - Administration and enforcement of act - Powers and duties of Commission.

A. The ABLE Commission shall be the licensing authority for the licensing of organizations, manufacturers, and distributors conducting, supplying, or otherwise providing charity games to the public in this state.

B. The Commission shall be responsible for the administration and enforcement of the Oklahoma Charity Games Act. In addition to such other duties as may be imposed on the Commission by law, and in order to perform that responsibility, the Commission shall:

1. Adopt and promulgate rules for the purpose of administering and enforcing the Oklahoma Charity Games Act;
2. Have the authority to issue, renew, suspend, or revoke any license authorized by the Oklahoma Charity Games Act;
3. Conduct or direct the conducting of investigations relating to issuing, renewing, suspending, or revoking any license authorized by the Oklahoma Charity Games Act;

4. Institute proceedings as the complainant against both licensees and nonlicensees for violations of the Oklahoma Charity Games Act;

5. Maintain records of all proceedings including minutes of meetings, applications for licenses and related documents of applicants, and official documents filed in any hearings conducted by the Commission arising out of any provision of the Oklahoma Charity Games Act or the rules and regulations of the Commission. Copies of such records certified by the Director of the Commission shall be admissible as evidence in a civil or criminal action;

6. Make such expenditures including employing such additional staff as may be necessary for the administration and enforcement of the Oklahoma Charity Games Act;

7. Establish a standard recordkeeping system for the conduct of charity games;

8. Establish a model internal control system for use by organizations;

9. Conduct all hearings including actions on investigations, issuance, denial, revocation, or suspension of a license, adoption of rules, and conduct meetings in accordance with the provisions of the Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes, and the Oklahoma Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma Statutes; and

10. Be responsible for approving locations for the conducting of charity games.

C. The members of the Commission, the Director and such agents as the Commission appoints shall have all the powers and authority of peace officers of this state for purposes of enforcing the provisions of the Oklahoma Charity Games Act.

D. The Commission shall have the authority to regularly inspect all locations or places of business of licensees and all other persons, firms or corporations dealing in the manufacture, distribution, transportation, sale or service of charity games or charity game equipment within this state. Any officer or employee of the Commission with responsibility for enforcement of the Oklahoma Charity Games Act shall have the power and authority, without a warrant, to enter and examine the location or place of business of any licensee, during normal operating hours thereof, to determine if any violation of the provisions of the Oklahoma Charity Games Act or rules of the Commission is or may be occurring. The right of entry and inspection shall be a condition upon which every license shall be issued and the application for and acceptance of any license hereunder shall conclusively be deemed to be consent of the applicant and licensee to such entry and inspection. Officers and employees of the Commission or the Oklahoma Tax Commission shall be given free access to and shall not be hindered or interfered with in their examination of the location or place of business of any licensee, and

in any case in which such officer or employee is denied free access and entry or is hindered or interfered with in making such examination, any license held for such location or place of business shall be subject to suspension or revocation.

Added by Laws 1992, c. 328, § 4, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 4, eff. July 1, 1993.

§3A-404. Licenses - When issuance prohibited - Transfer, sale, lease or assignment prohibited - Initial and renewal fees.

A. All licenses issued pursuant to the provisions of the Oklahoma Charity Games Act shall be valid for one (1) year from the date of issue.

B. A license issued by the Commission shall not be transferable, sold, leased or assigned under any circumstances.

C. A license shall not be issued to any organization if an officer thereof has been convicted of or pled guilty or nolo contendere to any felony, or a misdemeanor related to gambling or gaming, pursuant to the laws of the United States, the District of Columbia or any state or territory of the United States.

D. A license shall not be issued to any person who has been convicted of or pled guilty or nolo contendere to any felony, or a misdemeanor related to gambling or gaming, pursuant to the laws of the United States, the District of Columbia or any state or territory of the United States.

E. The initial and renewal fees for licenses authorized by the Oklahoma Charity Games Act shall be as follows:

1. Organization License - One Hundred Dollars (\$100.00);
2. Distributor License - Five Thousand Dollars (\$5,000.00);
3. Manufacturer License - Two Thousand Dollars (\$2,000.00);
4. Employee License - Fifteen Dollars (\$15.00); and
5. Manager License - Fifty Dollars (\$50.00).

F. All fees received by the Commission pursuant to this section shall be forwarded to the State Treasurer for deposit in the General Revenue Fund.

Added by Laws 1992, c. 328, § 5, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1997, c. 280, § 2, eff. July 1, 1997.

§3A-405. Limited charity game activities - Exemptions.

A. Any organization which conducts any charity game activities not more than four times per year may obtain an exemption from specific provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title, as provided in this section. Such exemption shall be obtained by the filing of a verified application with the

ABLE Commission signed by the executive officer of said organization and containing the following information:

1. The name and address of the organization;
2. The name, address and telephone number of the executive officer of the organization or such other person authorized to receive documents or other information from the Commission on behalf of the organization; and
3. A statement that said organization shall conduct a charity game session four or fewer times per calendar year and the dates and times and location wherein such activities shall occur.

B. Any organization which conducts any charity game activities not more than four times per year which has obtained an exemption from the Commission shall not:

1. Be required to obtain any type of license required by the Oklahoma Charity Games Act;
2. Be restricted to the use of bingo faces as defined in the Oklahoma Charity Games Act but shall not be authorized to use electronic facsimile of faces;
3. Be required to purchase charity game equipment from persons or business entities licensed pursuant to the provisions of the Oklahoma Charity Games Act; or
4. Be subject to any restrictions in this act or rules of the Commission relating to conducting charity games on certain days of the week or during certain hours.

C. Any hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility which conducts charity games at such facilities on a regular basis for the residents or regular patrons of the facility and their immediate family members may obtain an exemption from specific provisions of the Oklahoma Charity Games Act as provided in this section. Such exemption shall be obtained by the filing of a verified application with the Commission signed by the owner or supervisor of the facility and containing the following information:

1. The name and address of the hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility;
2. The name, address and telephone number of the owner or supervisor of the facility or such other person authorized to receive documents or other information from the Commission on behalf of the facility; and
3. A statement that said facility shall conduct charity games at the specified facility for the residents or regular patrons of the facility and their immediate family members. Provided, the prizes awarded either in cash or any other thing of value shall not exceed Two Hundred Fifty Dollars (\$250.00) in any one (1) day at any such hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility.

D. Any hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility which conducts charity games at such facilities on a regular basis for the residents or regular patrons of the facility or their immediate family members which has obtained an exemption from the Commission shall not:

1. Be required to obtain any type of license required by the Oklahoma Charity Games Act;

2. Be restricted to the use of bingo faces, as defined in the Oklahoma Charity Games Act but shall not be authorized to use electronic facsimile of faces;

3. Be required to purchase charity game equipment from persons or business entities licensed pursuant to the provisions of the Oklahoma Charity Games Act; or

4. Be subject to any restrictions in the Oklahoma Charity Games Act or rules of the Commission relating to conducting charity games on certain days of the week or during certain hours.

Added by Laws 1992, c. 328, § 6, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 5, eff. July 1, 1993.

§3A-406. Refusal to issue, denial of renewal, suspension, or revocation of distributor or manufacturer license.

A. The Commission shall refuse to issue, deny renewal, suspend, or revoke a distributor license or a manufacturer license for any individual who:

1. Is not a citizen of the United States; or

2. Has been convicted, pled guilty, or pled nolo contendere to a felony pursuant to the laws of the United States, the District of Columbia, or any state or territory of the United States.

B. The Commission shall refuse to issue, deny renewal, suspend or revoke a distributor license or a manufacturer license for a partnership if a partner of the partnership has been convicted, pled guilty, or pled nolo contendere to a felony pursuant to the laws of the United States, the District of Columbia, or any state or territory of the United States.

C. The Commission shall refuse to issue a distributor license or a manufacturer license for a corporation which has an officer or stockholder owning more than ten percent (10%) of the corporate stock who has been convicted, pled guilty, or pled nolo contendere to a felony pursuant to the laws of the United States, the District of Columbia, or any state or territory of the United States.

Added by Laws 1992, c. 328, § 7, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-407. Refusal to issue, denial of renewal, suspension, or revocation of any license - Penalty schedule.

A. The ABLE Commission shall refuse to issue, deny renewal of, suspend, or revoke any license for any one or more of the following reasons:

1. Obtaining a license from the Commission through fraud, misrepresentation, or concealment of a material fact;
2. Noncompliance with the tax laws of this state; or
3. Failure to pay any fine levied by the Commission.

B. The Commission may levy fines or refuse to issue, deny renewal of, suspend, or revoke any license for any one or more of the following reasons:

1. Violation of any provision of the Oklahoma Charity Games Act, Section 401 et seq. of this title. A determination of action on a license pursuant to the provisions of this subsection shall not be limited to actions against a licensee that has been convicted of a violation in a court of competent jurisdiction;
2. Violation of any rule adopted by the Commission;
3. Failure to implement an order of the Commission;
4. Failure by an organization to provide adequate internal control in accordance with the rules for such control adopted by the Commission; or
5. Failure to keep financial records in accordance with the standard system established by the Commission.

C. The Commission is hereby authorized to establish a penalty schedule for violations of any provision of the Oklahoma Charity Games Act or for violation of any rule of the Commission. The schedule may provide fines or suspension or revocation or both fines and suspension or revocation for violations of the act or rules as determined by the Commission. Penalties shall be increasingly severe for each violation.

D. All administrative fines collected by the Commission pursuant to the provisions of this section shall be forwarded to the State Treasurer for deposit in the General Revenue Fund.

Added by Laws 1992, c. 328, § 8, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1993, c. 305, § 6, eff. July 1, 1993; Laws 1997, c. 280, § 3.

§3A-408. Organization license - Application.

A. Any organization desiring to conduct a charity game in this state shall apply to the ABLE Commission for an organization license. An organization license shall only be issued to an organization and shall be used by that organization only. A business entity shall not be qualified under any conditions to hold or use an organization license.

B. An organization shall be limited to only one license and to doing business at only one location.

C. An organization shall use only disposable bingo faces purchased from a licensed distributor. Only one game shall be played on each bingo face; provided, nothing in this section shall be construed to exclude progressive games.

D. Only an organization or an employee or manager of an organization shall conduct a charity game for which a charge is made. Compensation may be paid to an organization or other person for conducting a charity game. Compensation for conducting charity games shall be paid in accordance with minimum wage provisions of federal law, and shall not exceed two times the amount of the minimum wage specified pursuant to federal law.

E. An initial application for an organization license shall be sworn and attested to by a principal officer of the applicant organization and shall include:

1. A certified copy of the document from the U.S. Internal Revenue Service which grants the applicant tax-exempt status and the federal identification number;
2. A certified copy of the articles of incorporation and certificate of incorporation of the organization;
3. A copy of the bylaws of the organization;
4. A copy of the minutes of the meeting of the organization at which the governing body was elected and the terms of office of each member of the governing body;
5. A copy of the minutes of the meeting of the governing body of the organization at which the application for the license was authorized;
6. The name and address of a person authorized to receive service of process on behalf of the organization;
7. The address of the location where the charity games will be conducted; and
8. Such other information deemed necessary by the Commission to assure eligibility for a license.

F. A renewal application shall only include any changes in the information required to be submitted with the initial application.

G. An organization license shall be placed within public view at all times in a conspicuous place at the location where the charity game is being conducted.

Added by Laws 1992, c. 328, § 9, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1997, c. 280, § 4.

§3A-408.1. Employee or manager license.

A compensated employee or manager of an organization shall be required to obtain an employee or manager license from the ABLE Commission. Every organization licensee pursuant to the Oklahoma

Charity Games Act shall designate one person to be manager of its charity gaming operations. If a manager is compensated for such service, the organization shall report the name and address of the manager to the Commission. Each such organization shall report a change in managers, if such managers are compensated for such service, to the Commission on the first working day after such change is made and receive approval from the Commission for the change. A manager who is compensated shall be held responsible for any violation of the Oklahoma Charity Games Act or any rule of the Commission and for any act of his or her servant, agent, employee or representative in violation of any law or rule.
Added by Laws 1997, c. 280, § 5.

§3A-409. Distributor license - Application.

A. Any person or business entity desiring to sell or supply any charity game equipment to a licensed organization in this state shall apply to the ABLE Commission for a distributor license.

B. An application for a distributor license shall include:

1. The name and address of the applicant and the name and address of each of its separate locations distributing charity game equipment;

2. The name and address of all owners of the distributing business entity, if the business entity is not a corporation. If the business entity is a corporation, the name and address of each of the officers and directors of the corporation and of each stockholder owning ten percent (10%) or more of any class of stock in the corporation; and

3. The full name, business address and home address of the person who is a resident of this state, or the full name and address of a domestic corporation located in this state, or the full name and address of a foreign corporation authorized to transact business in this state pursuant to Section 1130 of Title 18 of the Oklahoma Statutes, who or which is authorized to receive service of process on behalf of the applicant, if the applicant is a person who is not a resident of this state or a business entity not located in this state.

Added by Laws 1992, c. 328, § 10, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1997, c. 280, § 6.

§3A-410. Manufacturer license - Application.

A. Any person or business entity desiring to sell or supply charity game equipment to a distributor in this state shall apply to the ABLE Commission for a manufacturer license.

B. An application for a manufacturer license shall include:

1. The name and address of the applicant and the name and address of each of its separate locations manufacturing charity game equipment;

2. The name and address of all owners of the manufacturing business entity, if the business entity is not a corporation. If the business entity is a corporation, the name and address of each of the officers and directors of the corporation and of each stockholder owning ten percent (10%) or more of any class of stock in the corporation; and

3. If the applicant is a foreign manufacturer and is also a corporation, a certificate of good standing from the Secretary of State, issued within sixty (60) days prior to filing the application pursuant to Section 1130 of Title 18 of the Oklahoma Statutes. If the foreign manufacturer is a corporation excepted from qualifying to do business in this state pursuant to Section 1132 of Title 18 of the Oklahoma Statutes or is not a corporation, then the foreign manufacturer shall supply the Commission with the full name, business address, and home address of the person who is a resident of this state, or the full name and address of a domestic corporation located in this state, or the full name and address of a foreign corporation authorized to transact business in this state, who or which is authorized to receive service of process on behalf of the business entity.

Added by Laws 1992, c. 328, § 11, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1997, c. 280, § 7.

§3A-411. Notice of intention to apply for license - Notice of application to local authorities.

A. An applicant for an initial organization license shall, prior to applying for such license, twice publish, in such form and containing such information as the ABLE Commission shall by rule prescribe, a notice of its intention to apply for such license, once a week for two (2) successive weeks in a legal newspaper of general circulation within the county of the location of the licensee. Proof of such publication shall be filed with the Commission.

B. Upon an application for a license being filed with the ABLE Commission, the Commission shall give written notice of the application to the district attorney, county sheriff, city attorney, and chief of police or marshal of the municipality and county in which the applicant will be doing business.

1. The written notice shall be provided by regular first-class mail sent not more than ten (10) calendar days from the date of receipt of the application.

2. The written notice shall contain the name of the applicant, the location at which the organization or business entity will be

doing business, and the date on which the Commission will consider the application.

C. Applications for any of the licenses provided for in the Oklahoma Charity Games Act, Section 401 et seq. of this title, shall be on such form as designated by the Commission.

Added by Laws 1992, c. 328, § 12, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 7, eff. July 1, 1993.

§3A-412. Protest.

A. Any person who is a resident of the municipality or county in which the organization or business entity will be doing business may protest such application.

B. To be considered by the Commission, the protest must:

1. Be submitted in writing;
2. Be signed by the person protesting;
3. Contain the place of residence and the mailing address of the protester;
4. Contain a concise statement as to why the application is being protested; and

5. Be submitted to the Commission before the license is granted.

C. Within thirty (30) calendar days of the date of receipt of the written protest the Commission shall conduct a hearing on all written protests meeting the requirements of this section.

Added by Laws 1992, c. 328, § 13, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 8, eff. July 1, 1993.

§3A-413. Petition to revoke license.

The district attorney of the county or the city attorney of the municipality wherein a license has been issued may file a petition with the Commission to revoke a license alleging the violation of the Oklahoma Charity Games Act or rule promulgated by the Commission by the holder of the license, its agents, officers, or employees.

1. Within ten (10) calendar days of receiving the petition from the district attorney or city attorney, the Commission shall notify by mail with return receipt requested the person, organization, or business entity against whom the application for revocation was filed.

2. The Commission shall conduct a hearing on the petition and enter a written order setting out the decision regarding the petition.

Added by Laws 1992, c. 328, § 14, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-414. Licensee records - Reports.

A. Every licensee shall keep and maintain a set of records which shall include such details as required by the Commission of the activities of the licensee relating to doing business in this state pursuant to the provisions of the Oklahoma Charity Games Act.

1. Such records shall be available for inspection by the Commission during regular business hours.

2. Such records shall be maintained for a period of not less than three (3) years from the date of the end of the fiscal year of the licensee.

3. Such records maintained shall include copies of all invoices to all organizations in this state which shall include but not be limited to information as to the amount of charity game equipment sold in this state.

B. Each distributor shall also submit a quarterly report to the Commission containing the name, address, and license or exemption number of each purchaser of charity game equipment.

C. Each licensed manufacturer shall also submit a quarterly report to the Commission containing the following information:

1. The total amount of charity game equipment sold in this state;

2. The total number with the serial numbers and sequential order of bingo faces, U-PIK-EM bingo sets, and breakopen deals sold; and

3. Copies of all invoices for all charity game equipment sold which shall include but not be limited to information as to the number of games sold in this state.

Added by Laws 1992, c. 328, § 15, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-415. Purchase, sale or disposal of supplies.

A. Licensed organizations shall purchase their supplies only from distributors licensed by this state and payment for supplies shall be made upon receipt of the supplies at the place of delivery.

B. Distributors shall market, sell, or supply charity game equipment in this state only to an organization, exempt organization, exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility, entity of the United States government, federally recognized Indian tribe or nation or other licensed distributor.

C. Distributors shall purchase or otherwise obtain charity game equipment only from manufacturers or other distributors licensed pursuant to the provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title.

D. Manufacturers shall sell charity game equipment in this state only to distributors licensed pursuant to the provisions of the Oklahoma Charity Games Act or federally recognized Indian tribes or nations.

E. Charity game equipment owned by an organization may be disposed of with the written permission of the Director of the ABLE Commission and with proper notification to the Oklahoma Tax Commission, as follows:

1. By selling the equipment or giving it away to another organization, an exempt organization, or exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility; or

2. By selling the equipment or trading it in on the purchase of other charity game equipment to a distributor licensed pursuant to the provisions of the Oklahoma Charity Games Act.

Added by Laws 1992, c. 328, § 16, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1993, c. 305, § 9, eff. July 1, 1993; Laws 1997, c. 280, § 8, eff. July 1, 1997.

§3A-416. Reporting of damaged and winning bingo faces, cards and game sets.

All damaged and winning bingo faces, breakopen ticket cards, and U-PIK-EM bingo game sets shall be reported and disposed of in such manner as the Commission shall prescribe.

Added by Laws 1992, c. 328, § 17, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-417. Alcoholic beverages and low-point beer prohibition.

No licensed organization shall sell, serve or permit to be consumed any alcoholic beverage as defined in Section 506 of Title 37 of the Oklahoma Statutes or low-point beer as defined in Section 163.2 of Title 37 of the Oklahoma Statutes in any room or outdoor area where and during the time a bingo or U-PIK-EM game is being conducted.

Added by Laws 1992, c. 328, § 18, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1995, c. 274, § 1, eff. Nov. 1, 1995; Laws 1997, c. 280, § 9, eff. July 1, 1997.

§3A-418. Prohibited acts.

A. No charity game shall be conducted on the first day of the week, commonly known and designated as Sunday.

B. No charity game shall be conducted between the hours of midnight and 10:00 a.m.

C. An organization shall not conduct more than two sessions at a location during a calendar day.

D. No person under eighteen (18) years of age shall play breakopen ticket games; provided, any person under the age of eighteen (18) may play charity games other than breakopen ticket

games when accompanied by a parent or guardian if such play is permitted by the organization conducting the charity game.

E. No licensee shall sell any tangible property or services in connection with operations of charity games in any manner in which the purchaser incurs a debt to the organization or to any of its members or employees.

Added by Laws 1992, c. 328, § 19, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1993, c. 305, § 10, eff. July 1, 1993; Laws 1997, c. 280, § 10, eff. July 1, 1997.

§3A-419. Limitation on prizes.

A. In the conducting of a bingo game or a U-PIK-EM bingo game, not more than a total of Six Thousand Dollars (\$6,000.00) in cash or any other thing of value shall be paid out during a day session or a night session; provided, the ABLE Commission may, in its discretion, raise the limit to an amount not to exceed Twelve Thousand Dollars (\$12,000.00) for an individual organization licensee. Any person may protest the raising of the limit by filing a written and signed protest with the Commission. Within thirty (30) calendar days of the date of receipt of such protest, the Commission shall conduct a hearing on such protest. Such total shall include awards for winning the game, and all other cash or other thing of value given or awarded during the session. For purposes of this subsection, value means the retail cost which would be paid if the item were bought in a retail store.

B. The Commission is hereby authorized to set the limits on the type and purchase price of each breakopen ticket game. Such breakopen ticket card price limit shall not exceed Two Dollars (\$2.00). A breakopen ticket game shall be submitted by the manufacturer to the Commission for approval. Only approved breakopen ticket games may be offered to an organization.

Added by Laws 1992, c. 328, § 20, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 11, eff. July 1, 1993.

§3A-420. Sales tax permit required.

Any person, organization or business entity selling food, drink, or any other product subject to sales tax at any charity game location shall be required to obtain an Oklahoma sales tax permit prior to such sale.

Added by Laws 1992, c. 328, § 21, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-421. Taxes levied.

A. Except as provided in subsection D of this section, there is hereby levied a tax in the amount of one cent (\$0.01) upon each bingo face and each U-PIK-EM bingo game set sold in this state to be paid by the distributor.

B. Except as provided in subsection D of this section, there is hereby levied upon each breakopen ticket game sold in this state a tax in the amount of ten percent (10%) on the gross receipts of the retail sales value to be paid by the distributor. For purposes of this subsection, "gross receipts of the retail sales value" means the stated retail per breakopen ticket price multiplied by the number of tickets in each packaging container of breakopen tickets.

C. Except as provided in subsection D of this section, there is hereby levied upon all charity game equipment except bingo faces, U-PIK-EM bingo game sets, and breakopen ticket games a tax in the amount of ten percent (10%) of the price paid for such equipment as shown on the purchase invoice.

D. There shall be no tax levied on any item provided for in this section if the item is sold to an organization that is:

1. A veterans' organization exempt from taxation pursuant to the provisions of paragraph (4), (7), (8), (10) or (19) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq.;

2. A group home for mentally disabled individuals exempt from taxation pursuant to the provisions of paragraph (3) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq.; or

3. A charitable healthcare organization which is exempt from taxation pursuant to the provisions of paragraph (3) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1986, as amended, 26 U.S.C., Section 501(c) et seq.

Added by Laws 1992, c. 328, § 22, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1997, c. 280, § 11, eff. July 1, 1998; Laws 2004, c. 330, § 1, eff. Jan. 1, 2005; Laws 2007, c. 203, § 1, eff. July 1, 2007; Laws 2015, c. 50, § 1, eff. Nov. 1, 2015.

§3A-422. Collection and remission of taxes.

A. All taxes levied pursuant to the provisions of Section 421 of this title shall be collected and remitted by the distributor to the Oklahoma Tax Commission.

B. The distributor shall submit a copy of each invoice from the manufacturer from which the distributor obtained the charity game equipment stating the amount and price of each item obtained.

C. The distributor shall submit a copy of each invoice submitted for payment to a purchaser of charity game equipment. The provisions of this subsection shall apply to invoices to all purchasers whether or not items sold to the purchaser are subject to or are exempt from

the taxes levied pursuant to Section 421 of this title. The distributor shall indicate on the invoice if the sale is exempt from taxation.

D. The taxes shall be due and paid monthly, and shall be deemed delinquent if not paid on or before the last day of the month following the month during which the items were sold to an organization.

E. The distributor shall not require a payment of the taxes levied pursuant to Section 421 of this title from any organization sooner than the fifteenth day of the month following the month during which items were sold to the organization. The distributor may require payment of the tax at the time of purchase from an organization if the organization does not make timely payments to the distributor as required by this section.

F. In computing the amount of charity games tax due, the distributor shall be entitled to a credit against the tax payable in the amount of tax paid by the distributor that has become uncollectible from an organization. The credit shall be claimed on the first or second return following the date on which the distributor was entitled to collect the tax as provided in this section if the payment remains unpaid as of the filing date of that return or the credit shall be disallowed.

G. An organization that fails to pay the tax to a distributor which has claimed a credit for the uncollectible taxes shall be liable for the remittance of the tax, interest and penalty due thereon and the Tax Commission may pursue collection thereof from the organization. Such a distributor shall be prohibited from making further sales to such an organization until the organization has paid all taxes due. Notwithstanding the provisions of Section 205 of Title 68 of the Oklahoma Statutes, the Tax Commission shall notify the ABLE Commission of any organization which fails to remit the charity games tax to its distributor.

H. The Tax Commission shall adopt rules establishing the evidence a distributor must provide to receive the credit. The claim for credit shall identify the defaulting organization and any tax liability that remains unpaid.

I. Charity game equipment taxed pursuant to the provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title, shall be exempt from taxation pursuant to any other law of this state levying a sales tax, consumers tax, or use tax.

J. A licensed distributor shall be allowed a discount of one percent (1%) of the taxes due pursuant to the provisions of the Oklahoma Charity Games Act as remuneration for establishing and maintaining the records required by the ABLE Commission and the Oklahoma Tax Commission and for collecting such tax for the benefit of the state, if such tax is timely reported and remitted; provided, the discount provided by this section shall be limited to Three

Thousand Three Hundred Dollars (\$3,300.00) per reporting period for each licensed distributor and any amount in excess of Three Thousand Three Hundred Dollars (\$3,300.00) per reporting period for each licensed distributor shall be retained by the state as an administrative expense and deposited to the General Revenue Fund. If the tax becomes delinquent, the licensed distributor forfeits any claim to the remuneration.

K. The Oklahoma Tax Commission shall, by rule, establish a procedure by which a licensed distributor shall be allowed a credit against subsequent tax liability for damaged bingo faces, U-PIK-EM bingo game sets, breakopen ticket games or charity game equipment upon which the tax required by the Oklahoma Charity Games Act has been paid and by which the distributor shall reimburse the organization which purchased such damaged bingo faces, U-PIK-EM bingo game sets, breakopen ticket games or charity game equipment for the tax paid by such organization.

L. The Oklahoma Tax Commission shall devise only such tax reporting forms as necessary for tax collection pursuant to the Oklahoma Charity Games Act and shall promulgate and enforce only such rules as are necessary to provide for the collection, remitting and verification of payment of taxes by distributors as required by this section.

M. The Oklahoma Tax Commission shall have the authority to enter the licensed premises of any licensee to verify compliance with the taxation provisions of the Oklahoma Charity Games Act.

Added by Laws 1992, c. 328, § 23, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1993, c. 305, § 12, eff. July 1, 1993; Laws 1997, c. 280, § 12, eff. July 1, 1997; Laws 2004, c. 330, § 2, eff. Jan. 1, 2005.

§3A-423. Disposition of revenues.

The revenues collected by the Oklahoma Tax Commission pursuant to Section 421 of this title shall be paid monthly by the Oklahoma Tax Commission to the State Treasurer to be placed in the General Revenue Fund, to be paid out pursuant to direct appropriation by the Legislature.

Added by Laws 1992, c. 328, § 24, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 13, eff. July 1, 1993.

§3A-424. Penalties.

Any person or persons convicted of violating the provisions of the Oklahoma Charity Games Act shall be guilty of a misdemeanor punishable by incarceration for a period of not less than six (6) months, but not to exceed one (1) year and by a fine of not less than One Thousand Dollars (\$1,000.00).

Added by Laws 1992, c. 328, § 25, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992. Amended by Laws 1997, c. 280, § 13, eff. July 1, 1997.

§3A-425. Cease and desist orders - Injunctions - Restraining orders - Administrative fines.

A. In addition to any other powers conferred on the Commission to impose penalties for violations of the provisions of the Oklahoma Charity Games Act, whenever in the judgment of the Commission any person, organization, or business entity has committed an act which constitutes a violation of the Oklahoma Charity Games Act, the Commission may:

1. After notice and hearing, issue a cease and desist order to any person or business entity that should have obtained a license;

2. Impose a fine of not more than Five Thousand Dollars (\$5,000.00) for each violation in the event that after the issuance of an order to cease and desist the illegal activity, the person or business entity that the order is directed to commits any act in violation of the order; and

3. Make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the Commission that such violations have occurred, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court, without bond.

B. Each day a violation is continuing shall constitute a separate offense.

C. Administrative fines imposed pursuant to the provisions of this section shall be enforceable in the district courts of this state.

D. All administrative fines collected by the Commission pursuant to the provisions of this section shall be forwarded to the State Treasurer for deposit in the General Revenue Fund.

Added by Laws 1992, c. 328, § 26, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992.

§3A-426. Bingo faces, game sets, or breakopen ticket cards declared contraband - Confiscation, forfeiture, and destruction.

A. On and after January 1, 1993, any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards that are not purchased from a licensed distributor are declared to be contraband, unless such items are:

1. Purchased by an exempt organization, exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility;

2. Purchased by a federally recognized Indian tribe or nation;
or

3. Sold or given by a licensed organization to another licensed organization, an exempt organization, or exempt hospital, nursing home, residential care facility, senior citizens' center, retirement center or convalescent facility, if written permission is obtained from the Director of the ABLE Commission and proper notification is given to the Oklahoma Tax Commission.

B. On and after January 1, 1993, any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards sold or offered for sale by a business entity which is not a licensed distributor is declared to be contraband.

C. Any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards which were not in the possession of an organization or business entity on December 31, 1992, on which the taxes have not been paid are declared to be contraband unless the items are being transported through this state from another state to be sold or distributed in another state.

D. On and after January 1, 1993, any bingo faces, U-PIK-EM bingo game sets, or breakopen ticket cards in the possession of an organization or business entity which has not been licensed or obtained an exemption pursuant to the Oklahoma Charity Games Act, Section 401 et seq. of this title, shall be declared contraband.

E. Such contraband shall be subject to confiscation, forfeiture, and destruction in the following manner:

1. The Commission, its agent, or the district attorney of the county wherein the alleged contraband is located shall seize any such item and maintain it for safekeeping pending a final adjudication of the legality of the sale or purchase;

2. The Commission, its agent, or the district attorney seizing the alleged contraband shall apply to the district court for an order forfeiting the alleged contraband and directing its destruction;

3. The court clerk shall give the owner of the alleged contraband fourteen (14) calendar days' written notice of the hearing on the request for the order for destruction; and

4. Upon obtaining an order from the court ordering destruction, the Commission or the district attorney shall destroy the contraband in the manner they deem most appropriate.

Added by Laws 1992, c. 328, § 27, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 14, eff. July 1, 1993.

§3A-427. Unexpired licenses issued by district court clerk -
Inventory of game equipment in possession of applicant prior to
December 31, 1992 - Rules.

A. Any organization which holds an unexpired license to conduct a bingo game issued pursuant to the provisions of Sections 995.1

through 995.15 of Title 21 of the Oklahoma Statutes is authorized to continue conducting such licensed game until the expiration date of said license. Any organization which holds an unexpired license to conduct a bingo game issued by the Oklahoma Tax Commission pursuant to the provisions of the Oklahoma Charity Games Act, Section 401 et seq. of this title, prior to the effective date of this act is authorized to continue conducting such licensed game until the expiration date of said license.

1. Any such licensee continuing to conduct bingo games pursuant to the license issued by a district court clerk shall submit the information required in Section 408 of this title by March 1, 1993.

2. Upon expiration of the license issued by the district court clerk, the organization shall submit a new application and pay the appropriate fees as required for organizations which did not have a license to conduct bingo games on December 1, 1992.

3. The provisions of this subsection shall not be construed to guarantee the issuance of an organization license to the organization upon the expiration of the license issued by a district court clerk.

B. Applicants for an organization license or a distributor license which have charity game equipment may submit a full and complete inventory of such equipment in the form of a sworn affidavit of the total amount of charity game equipment in each tax category in the possession of the applicant to the Oklahoma Tax Commission on or before December 31, 1992.

1. Before December 31, 1992, and upon receipt of said sworn affidavit of inventory, the Oklahoma Tax Commission shall provide the applicant with a stamp or seal, in a manner to be determined by the Oklahoma Tax Commission for marking the charity game equipment which will be exempt from the tax provisions of the Oklahoma Charity Games Act.

2. After December 31, 1992, all charity game equipment shall be subject to the taxes and contraband provisions of the Oklahoma Charity Games Act.

C. On or after July 1, 1993, the ABLE Commission shall promulgate such emergency rules as deemed necessary for implementation and enforcement of the Oklahoma Charity Games Act. The ABLE Commission shall promulgate permanent rules necessary for implementation and enforcement of the Oklahoma Charity Games Act for submission to the Legislature at the beginning of the next regular legislative session.

D. The Oklahoma Tax Commission shall immediately deliver to the ABLE Commission all books, papers, records, computer tapes and other property of the Oklahoma Tax Commission which pertain to the licensing and enforcement of the Oklahoma Charity Games Act. Added by Laws 1992, c. 328, § 28, eff. Dec. 1, 1992, and adopted by State Question No. 650, Legislative Referendum No. 294, at election held Nov. 3, 1992; Laws 1993, c. 305, § 15, eff. July 1, 1993.

§3A-501. Short title.

This act shall be known and may be cited as the "Amusement and Carnival Games Act".

Added by Laws 1994, c. 199, § 1, eff. Sept. 1, 1994.

§3A-502. Certain acts and games prohibited - Definitions.

A. Any person who owns or operates any amusement game or carnival game, whether skill or chance, coin, token or direct pay-to-play, and who knowingly and intentionally fraudulently obtains money or other items of value from another by means of any hidden mechanical device, deception or deceptive objects, manipulation, sleight-of-hand, trickery, obstruction, randomly selected or enforced rules, whether posted or verbalized, or by any other fraudulent means with intent to diminish or defeat the opportunity of any patron or player to win a prize or accomplish the intended object of the game, upon conviction, shall be guilty of a misdemeanor punishable pursuant to Section 5 of this act.

B. Any person who knowingly and intentionally owns, operates, or as a carnival owner or employee, knowingly and intentionally books-in, contracts, or provides space for, any game at a fair or carnival of a type known as razzle, flat store, or alibi game, or games operated in a manner violating the Amusement and Carnival Games Act, upon conviction, shall be guilty of a misdemeanor punishable pursuant to Section 5 of this act, with said game to be confiscated as contraband.

C. As used in the Amusement and Carnival Games Act:

1. "Razzle" or "flat store" means any game, whether skill or chance, in which the player pays money or other valuable consideration in return for the opportunity to make successive attempts to obtain points by use of dice, darts, marbles, numbered ping-pong balls, pins, blocks, conversion charts or other implements, and where such points are accumulated in successive games by the player toward a total number of points, miles or yards, or other increments, determined by the game operator, which is required for the player to win a prize or other valuable consideration; and

2. "Alibi game" means any game, whether skill or chance, in which the game operator controls or affects the outcome of the game, winners or losers, by enforcing foul lines, release lines, and rules selected and enforced randomly, and at will, whether posted or verbalized, during actual pay-to-play by the player, while not enforcing these same foul lines, release lines and rules during the player's free shots or free plays allowed during demonstration of how the game is played, as an enticement to the player. Further, "alibi game" means any game, whether skill or chance, in which the operator controls or affects the outcome of the game, winners or losers, by off-setting or manipulating balls, pins, bottles or other implements,

or any other means of trickery or deception to cheat or defeat the player, or void the player's win.

Added by Laws 1994, c. 199, § 2, eff. Sept. 1, 1994.

§3A-503. Prizes - Posting of rules and costs.

A. No operator of amusement or carnival games shall display prizes as an enticement to players, unless the displayed prizes can be won by players of the game. Prizes displayed shall not be displayed in any manner which would serve to block or interfere with the players of the game, or in a manner which could possibly diminish the player's chance of winning. Operators of games allowing Trade-Ups to achieve a larger or more valuable prize shall post signs and verbally explain to the player the achievement required for such Trade-Up, the cost of each additional Trade-Up play and the prize to be awarded for each Trade-Up play.

B. Operators shall post complete, easy to understand, consistently enforced rules, stating the cost of each play, what task the player must achieve to win, and the prize to be awarded winners. All rules will be verbally explained and consistently enforced. Signs will also be posted stating the name of the game, and all games shall be individually numbered for easy identification. All signs relating to game operations and identification shall be capable of being easily read at normal eye level and shall be permanently affixed at normal eye level or in such a manner as to afford the potential player easy viewing.

Added by Laws 1994, c. 199, § 3, eff. Sept. 1, 1994.

§3A-504. Offenses.

A. Multiple count violations of subsection A or B of Section 502 of this title, or violations resulting in a loss of money or other valuable consideration, in which said loss exceeds Five Hundred Dollars (\$500.00), shall constitute a felony, and shall be punishable pursuant to subsection B of Section 505 of this title.

B. Any person serving in a managerial or supervisory capacity for any fair, exposition, or any other event open to the public, paid admission or free, who knowingly or intentionally promotes or allows the operation of any amusement or carnival game in violation of this act, upon conviction, shall be guilty of a misdemeanor.

C. Any person who manufactures or distributes amusement or carnival games of the type described in Section 502 of this title, upon conviction, shall be guilty of a misdemeanor punishable pursuant to subsection A of Section 505 of this title, with said games to be confiscated as contraband.

D. Any person charged with law enforcement responsibilities or legal compliance inspections of amusement or carnival games, and who knowingly and intentionally allows or who knowingly and intentionally fails to prevent the operation of any amusement or carnival game

violating the Amusement and Carnival Games Act, upon conviction, shall be guilty of omission of duty and/or guilty of a misdemeanor punishable pursuant to subsection A of Section 505 of this title. Added by Laws 1994, c. 199, § 4, eff. Sept. 1, 1994. Amended by Laws 1997, c. 133, § 119, eff. July 1, 1999; Laws 2001, c. 437, § 1, eff. July 1, 2001.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 119 from July 1, 1998, to July 1, 1999.

§3A-505. Penalties.

A. Any person convicted of violating any provision of the Amusement and Carnival Games Act, with the exception of subsection A of Section 504 of this title, shall be guilty of a misdemeanor punishable by not more than two hundred twenty (220) days of community service, or by the imposition of a fine of not more than Two Thousand Dollars (\$2,000.00), or by both such fine and community service.

B. Any person convicted of violating subsection A of Section 504 of this title shall be guilty of a felony punishable by imprisonment in the State Penitentiary for not less than two (2) years, or more than five (5) years, or by the imposition of a fine of not more than Five Thousand Dollars (\$5,000.00), or by both such imprisonment and fine.

Added by Laws 1994, c. 199, § 5, eff. Sept. 1, 1994. Amended by Laws 1997, c. 133, § 120, eff. July 1, 1999; Laws 1999, 1st Ex.Sess., c. 5, § 52, eff. July 1, 1999.

NOTE: Laws 1998, 1st Ex.Sess., c. 2, § 23 amended the effective date of Laws 1997, c. 133, § 120 from July 1, 1998, to July 1, 1999.

§3A-601. Short title.

This act shall be known and may be cited as the "Oklahoma State Athletic Commission Act".

Added by Laws 1994, c. 240, § 1, eff. Sept. 1, 1994. Amended by Laws 2008, c. 329, § 1, eff. July 1, 2008.

NOTE: Editorially renumbered from § 500 of this title to provide consistency in numbering.

§3A-602. Definitions.

A. As used in the Oklahoma State Athletic Commission Act:

1. "Administrator" means the administrator of the Oklahoma State Athletic Commission;

2. "Amateur combative sports event" means a combative sports event in which the participants have never been licensed as professionals in any combative sport;

3. "Amateur combative sports practitioner" means a person who has never received or competed for any purse or other article either for the expenses of training therefor or for participating in any

combative sports contest or exhibition which exceeds in monies or other things of value a sum to be determined by the Oklahoma State Athletic Commission;

4. "Amateur mixed martial artist" means a person eighteen (18) years of age or older who has never received or competed for any purse or other article either for the expenses of training therefor or for participating in any combative sport contest or professional exhibition which exceeds in monies or other things of value a sum to be determined by the Oklahoma State Athletic Commission;

5. "Amateur mixed martial arts" means any form of competitive pugilistic contest in which the participants have never been licensed as professionals in any combative sport and blows are delivered with any part of the hands, feet, or knees and multiple combative disciplines are used including grappling. Such contests take place in a rope-enclosed ring or fenced enclosed cage and are fought in timed rounds;

6. "Applicant" means any individual, club, association, corporation, partnership or trust which submits to the Oklahoma State Athletic Commission an application for a license or permit pursuant to the Oklahoma State Athletic Commission Act;

7. "Booking agent" means independent contractors who act as bookers, agents, agencies and representatives who secure engagements and contracts for combative sports participants;

8. "Boxing" means any form of competitive pugilism or unarmed combat in which a blow is usually struck which may reasonably be expected to inflict injury, including, but not limited to, boxing, wrestling, mixed martial arts, and kickboxing, but shall not include the martial arts as defined by the provisions of this section;

9. "Broadcast" means any audio or visual transmission sent by any means of signal within this state, whether live or taped or time delayed, and includes any replays thereof. "Broadcast" shall not include any audio or visual transmission sent by any means of signal of any professional boxing event conducted outside this state;

10. "Cable system operator" means any person who makes available or provides customers a closed-circuit telecast which is pay-per-view, including any person who does so as a direct broadcast satellite provider or other multichannel video service provider;

11. "Closed-circuit telecast of professional combative sporting events" means telecast rights, including television, cable television, or pay-per-view telecasts, acquired by paying a licensing fee or by paying a contractual price by a business or individual, including, but not limited to, arenas, entertainment or meeting centers, restaurants, bars, taverns, hotels, motels, clubs, and organizations, which offers the viewing of the event to the public or to private residences. Such events shall include local and state professional combative sports contests and professional exhibitions as defined in this section. "Closed-circuit telecast" means any such

telecast of a professional combative sporting event as described herein which is not intended to be available for viewing without the payment of a fee, collected for or based upon each event viewed, for the privilege of viewing the telecast, and includes pay-per-view;

12. "Club" means an incorporated or unincorporated association or body of individuals voluntarily united and acting together for some common or special purpose;

13. "Combative sports" means any form of competitive pugilism or unarmed combat in which a blow is usually struck which may reasonably be expected to inflict injury, including but not limited to boxing, wrestling, mixed martial arts, and kickboxing, but shall not include the martial arts (singular) as defined by the provisions of this section;

14. "Combative sports practitioner" means a person who competes or spars in a combative sports event and includes boxers, kickboxers, mixed martial artists and wrestlers;

15. "Commission" means the Oklahoma State Athletic Commission;

16. "Contest" means a combative sports event in which it is reasonable to anticipate that the participants strive earnestly in good faith to win;

17. "Corner person" means, but shall not be limited to, a trainer, a second, or any other individual who attends the participant during a match;

18. "Event" means a combative sports contest or exhibition including but not limited to a match, bout, contest, show or tournament;

19. "Exhibition" means a combative sports event in which the participants show or display their skill by sparring without necessarily striving to win;

20. "Judge" means an individual other than a referee who shall have a vote in determining the winner of any contest;

21. "Kickboxing" means any form of competitive pugilistic professional contest or exhibition in which blows are delivered with the hand and any part of the foot. Such contests or exhibitions take place in a rope-enclosed ring and are fought in timed rounds;

22. "License" means a certificate issued by the Commission to participants of sanctioned professional combative sports contests, professional exhibitions, and amateur mixed martial arts contests and is a mandatory requirement for participation in such events;

23. "Manager" means an individual who controls or administers the affairs of any professional combative sports participant, including acting as a booking agent. "Manager" shall include the representative of a manager as defined by the Commission;

24. "Martial arts" means any form of karate, kung fu, tae kwon-do, or any other form of martial or self-defense art;

25. "Matchmaker" means an individual who brings together professional combative sports participants or arranges professional combative sports contests or professional exhibitions;

26. "Participant" means an individual who takes part in a combative sports event;

27. "Pay-per-view telecasts of professional combative sports events" means telecasts offered by cable television companies to subscribers at a cost in addition to the monthly cable television subscription rate. Such events shall include local and state professional combative sports contests and professional exhibitions as defined in this section;

28. "Person" means any individual, partnership, limited liability company, club, association, corporation, trust or other entity;

29. "Physician" means an individual licensed under the laws of this state to engage in the general practice of medicine or osteopathic medicine;

30. "Professional combative sports practitioner" means an individual eighteen (18) years of age or older who competes for money, prizes, or purses, or who teaches, instructs, or assists in the practice of combative sports or sparring as a means of obtaining pecuniary gain;

31. "Professional combative sports event" means a combative sports event in which the participants are paid a purse;

32. "Professional mixed martial arts" means any form of competitive pugilistic contest in which the participants are paid a purse and blows are delivered with any part of the hands, feet, elbows, or knees and multiple combative disciplines are used to include grappling. Such contests take place in a rope-enclosed ring or fenced enclosed cage and are fought in timed rounds;

33. "Promote" or "promoting" means producing, staging, sponsoring, organizing or otherwise holding a combative sports event whether or not the event is open to the public;

34. "Promoter" means any individual, whether a resident or nonresident of Oklahoma, or club or corporation, whether domesticated or not domesticated in Oklahoma, that produces or stages professional contests, amateur mixed martial arts contests, or professional exhibitions conducted within this state and shall include any officer, director, or employees as defined by the Commission;

35. "Pugilism" means combative sports or the skill or practice of fighting with the fists;

36. "Purse" means the financial guarantee or any other remuneration or thing of value for which a combative sports practitioner participates in a professional combative sports event and shall include the participant's share of any payment received for radio broadcasting, television, including cable television, pay-per-view television, and closed-circuit television, and motion picture

rights. "Purse" shall also include gate receipts and any other prizes;

37. "Ring official" means any individual who performs an official function during the progress of a combative sports event or amateur mixed martial arts event including but not limited to timekeepers, judges, referees, and attending physicians;

38. "Sanctioning permit" means a permit issued by the Commission to promoters who make application for official approval of professional combative sports events and amateur mixed martial arts events;

39. "Sparring" means to engage in a form of combative sport with jabbing or feinting movements, and the exchange of few heavy blows, such as occurs in a practice or exhibition boxing match;

40. "Telecast promoter" means any promoter who shows or causes to be shown in this state a closed-circuit telecast of any professional combative sports event conducted in this state. "Telecast promoter" shall not include a cable system operator;

41. "Trainer" means an individual who assists, coaches, or instructs any professional combative sports practitioner or amateur mixed martial artist with respect to physical conditioning, strategy, techniques, or preparation for competition, professional combative sports contests, or professional exhibitions; and

42. "Vendor" means any individual, firm, organization, club, or corporation that participates in the conduct of a professional combative sports event or amateur mixed martial arts event conducted in this state by offering for sale food or merchandise, including, but not limited to, wearing apparel, alcoholic and nonalcoholic beverages, souvenirs, and programs.

B. The Commission may define any term which is not defined in the Oklahoma State Athletic Commission Act.

Added by Laws 1994, c. 240, § 2, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 1, emerg. eff. May 19, 1995; Laws 1998, c. 348, § 1, emerg. eff. June 5, 1998; Laws 1999, c. 210, § 1, eff. July 1, 1999; Laws 2008, c. 329, § 2, eff. July 1, 2008; Laws 2009, c. 249, § 1, emerg. eff. May 22, 2009; Laws 2012, c. 359, § 2.

NOTE: Editorially renumbered from § 501 of this title to avoid duplication in numbering.

§3A-603. Rules - Power and duty of Commission.

A. The Oklahoma State Athletic Commission shall have the power and duty to promulgate, prescribe, amend, and repeal rules necessary to implement the provisions of the Oklahoma State Athletic Commission Act, according to the Administrative Procedures Act, including, but not limited to, defining qualifications, categories, limitations, and fees for licenses, permits, and examinations, and establishing bonding, contract, and insurance requirements.

B. In addition to rules promulgated by the Commission, rules promulgated by the Commissioner of Labor prior to July 1, 1999, shall be the rules of the Commission and shall continue in effect until such rules are amended or repealed by rules promulgated by the Commission.

Added by Laws 1994, c. 240, § 3, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 2, eff. July 1, 1999; Laws 2008, c. 329, § 3, eff. July 1, 2008.

NOTE: Editorially renumbered from § 502 of this title to avoid duplication in numbering.

§3A-604. Repealed by Laws 1999, c. 210, § 20, emerg. eff. May 25, 1999.

§3A-604.1. Oklahoma State Athletic Commission - Members - Terms.

A. There is hereby re-created, until July 1, 2021, in accordance with the Oklahoma Sunset Law, the Oklahoma State Athletic Commission, which shall be composed of nine (9) members appointed by the Governor with the advice and consent of the Senate. The member of the Commission initially appointed pursuant to this act shall serve a term of three (3) years that shall expire on June 30, 2006. Members appointed to the Commission shall serve for terms of three (3) years. Terms of office shall expire on June 30. All vacancies and unexpired terms shall be filled in the same manner as the original appointment and within sixty (60) days from the date of the vacancy. Members may be removed by the Governor for incompetence, willful neglect of duty, corruption in office, or malfeasance in office.

B. Members appointed to the Commission shall reside in this state and shall have the following qualifications:

1. Two members shall have experience as a professional combative sports practitioner, other than as a professional wrestler or in professional combative sports promotions;

2. One member shall have experience as a professional wrestler or in professional wrestling promotions;

3. One member shall have experience in sports medicine;

4. One member shall have experience in the cable television business; and

5. Four members shall represent the public at large as lay members.

C. No member of the Commission or any person related to a member within the third degree by consanguinity or affinity shall promote, sponsor, or have any financial interest in the promotion or sponsorship of any professional combative sports event or amateur mixed martial arts event while a member of the Commission.

D. The members of the Commission shall elect from their membership a chair and vice-chair to serve for one-year terms. A majority of the members shall constitute a quorum for the purpose of

conducting the business of the Commission. The Commission shall meet at least quarterly, and special meetings may be called by the chair.

E. The Commission shall comply with the provisions of the Oklahoma Open Meeting Act, the Oklahoma Open Records Act, and the Administrative Procedures Act.

F. All members of the Commission and such employees as determined by the Commission shall be bonded as required by Sections 85.26 through 85.31 of Title 74 of the Oklahoma Statutes.

G. Members of the Commission shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties as provided in the State Travel Reimbursement Act.

Added by Laws 1999, c. 210, § 3, emerg. eff. May 25, 1999. Amended by Laws 2001, c. 162, § 1, emerg. eff. May 1, 2001; Laws 2003, c. 331, § 1, eff. July 1, 2003; Laws 2005, c. 26, § 1; Laws 2008, c. 329, § 4, eff. July 1, 2008; Laws 2011, c. 46, § 1; Laws 2012, c. 359, § 3; Laws 2015, c. 231, § 1; Laws 2019, c. 461, § 1.

§3A-604.2. Purpose and powers of Commission - Validity of prior licenses, permits, certificates, or registrations - Transfers.

A. The mission of the Oklahoma State Athletic Commission shall be to preserve and protect the health, safety and welfare of combative sports event participants and the general public through the effective regulation of combative sports in the State of Oklahoma, while fostering an environment that expands existing combative sports events and brings new events into the state.

B. The Commission shall have the power to:

1. Promulgate rules and issue orders necessary to carry out the purposes of the Oklahoma State Athletic Commission Act, and enforce the provisions of said act and the rules promulgated pursuant thereto;

2. Assume jurisdiction over all matters relating to the licensing of professional combative sports practitioners, amateur mixed martial artists, corner persons, booking agents, matchmakers, promoters, referees, judges, timekeepers, vendors, physicians, announcers, clubs, and corporations associated with a professional combative sports event or amateur mixed martial arts event related thereto;

3. Set license and permit fees pursuant to the requirements of the Oklahoma State Athletic Commission Act;

4. Conduct investigations into the qualifications of applicants for licensure and registration;

5. Conduct investigations and proceedings for alleged violations of the Oklahoma State Athletic Commission Act and order or subpoena the attendance of witnesses, the inspection of records and premises, and the production of relevant books and papers necessary to such investigations and proceedings;

6. Develop and administer examinations for applicants for licenses and permits; and

7. Make such expenditures as may be necessary in the performance of its duties.

C. Any rule promulgated, order made, or action taken prior to July 1, 1999, by the Commissioner of Labor or the Department of Labor pursuant to the provisions of, or rules issued pursuant to, the Oklahoma State Athletic Commission Act shall be considered valid and in effect unless amended, repealed, or rescinded by the Commission.

D. Any valid license, permit, certificate, or registration issued prior to July 1, 1999, by the Commissioner of Labor pursuant to the Oklahoma State Athletic Commission Act, or rules promulgated pursuant thereto, shall remain valid and in effect until it expires pursuant to law or unless suspended or revoked by the Commission. Any application for a license, permit, certificate, or registration which is pending on June 30, 1999, is hereby transferred to the Commission.

E. All personnel, powers, duties, responsibilities, fund balances, encumbrances, obligations, and property, which shall include records, furniture, and equipment of the Department of Labor relating to the regulation of combative sports, are hereby transferred to the Oklahoma State Athletic Commission.

Added by Laws 1999, c. 210, § 4, eff. July 1, 1999. Amended by Laws 2008, c. 329, § 5, eff. July 1, 2008; Laws 2012, c. 359, § 4; Laws 2013, c. 290, § 2, eff. Nov. 1, 2013.

§3A-604.3. Withholding of purse.

A. The Oklahoma State Athletic Commission, its administrator or any other employee authorized by the Commission may order the promoter to withhold any part of a purse or other money belonging or payable to any combative sports practitioner or second if, in the judgment of the Commission, administrator or employee:

1. The practitioner is not competing honestly or to the best of the practitioner's skill and ability, or the practitioner otherwise violates any rules or regulations adopted by the Commission or any provisions of the Oklahoma Athletic Commission Act; and

2. The second violates any rules or regulations adopted by the Commission or any provisions of the Oklahoma Athletic Commission Act.

B. Money ordered withheld pursuant to this section shall be deposited in the Oklahoma State Athletic Commission Revolving Fund Security Account. The Commission shall hold a hearing at its next regularly scheduled meeting to dispose of the matter. If it is determined that the practitioner or second is entitled to his or her share of the purse or other money, the funds shall be moved to the Oklahoma State Athletic Commission Revolving Fund and disbursed to the practitioner or second. If it is determined that the practitioner or second is not entitled to his or her share of the

purse or other money, the funds shall be moved to the Oklahoma State Athletic Commission Revolving Fund and disbursed to the promoter. Added by Laws 2013, c. 290 § 1, eff. Nov. 1, 2013.

§3A-605. Administrator - Assistant - Administrative expenses - Conflict of interest.

A. The Oklahoma State Athletic Commission may employ an administrator to oversee the organization and activities of the Commission and to ensure compliance with rules promulgated by the Commission. The administrator shall perform such other duties as the Commission may prescribe. The salary of the administrator shall be set by the Commission. The position of administrator shall be an unclassified position.

B. The Commission may employ an assistant to keep records of all proceedings relating to professional combative sports and amateur mixed martial arts and to preserve all books, documents, and papers belonging to the Commission. The assistant shall perform such other duties as the Commission may prescribe. The Commission may employ such other personnel as necessary, subject to statutory full-time-equivalent (FTE) limits applicable to the State Department of Health.

C. The State Department of Health shall provide administrative support for the Commission, including, but not limited to, office space, equipment, and furnishings, payroll and employee benefit administration and processing, and travel and expense reimbursement, and shall manage the Commission's funds at the direction of the Commission. The State Department of Health shall be entitled to reimbursement for the actual cost of providing said administrative support to the Commission from the Oklahoma State Athletic Commission Revolving Fund; provided that said reimbursement shall not exceed in any year ten percent (10%) of the total revenue deposited in the fund in the preceding fiscal year received from fees, administrative fines, reimbursements, bond proceeds and sale of materials, but not including cash bonds held in trust by the Commission. Upon a written directive of expenditure from Commission funds signed by a majority of the Commission members or the Commission administrator, the State Department of Health shall process and make payment for said expenditure from Commission funds within fifteen (15) business days of receipt of the written directive from the State Department of Health. All other Commission-directed expenditures shall be processed according to State Department of Health policy.

D. Employees of the Commission shall be considered unclassified employees of the State Department of Health only for the purpose of administrative support provided by the State Department of Health as prescribed in subsection C of this section. Persons employed by the Commission shall serve at the direction and pleasure of the Commission and shall answer directly to the Commission administrator and the Commission.

E. The administrator, the assistant, and any other employees of the Commission or any persons related to said employees within the third degree by either consanguinity or affinity shall be prohibited from promoting, sponsoring, or having any pecuniary interest in any professional combative sports event or amateur mixed martial arts event regulated by the Commission with the exception of medical personnel.

Added by Laws 1994, c. 240, § 5, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 3, emerg. eff. May 19, 1995; Laws 1996, c. 362, § 1, eff. Sept. 1, 1996; Laws 1999, c. 210, § 5, eff. July 1, 1999; Laws 2004, c. 184, § 1, emerg. eff. May 3, 2004; Laws 2005, c. 462, § 1, eff. Nov. 1, 2005; Laws 2007, c. 178, § 1, eff. Nov. 1, 2007; Laws 2008, c. 329, § 6, eff. July 1, 2008; Laws 2012, c. 359, § 5.

NOTE: Editorially renumbered from § 504 of this title to avoid duplication in numbering.

§3A-606. Sanctioning permits - Exemptions.

A. The Oklahoma State Athletic Commission is hereby vested with jurisdiction to issue sanctioning permits for all professional combative sports contests and exhibitions and for all amateur mixed martial arts contests and exhibitions held or given within this state and to issue licenses for participants of sanctioned contests and exhibitions.

B. 1. No person shall promote, nor shall any person participate in, a professional combative sports event or an amateur mixed martial arts event unless the event is sanctioned by the Commission.

2. Except as provided in paragraphs 1 and 2 of subsection C of this section, no person shall promote an amateur combative sports event unless the event has been sanctioned by a nationally recognized amateur sanctioning body that has been approved by the Commission.

3. Any person violating the provisions of this subsection shall be punishable pursuant to the provisions of Section 615 of this title.

C. Specifically exempt from the provisions of the Oklahoma State Athletic Commission Act are the amateur combative sports contests or exhibitions conducted or sponsored by:

1. Any school, college, or university where the participants are students regularly enrolled in such institutions and the instructors, coaches, and trainers are employees of such institutions. The term "school, college, or university" shall not include a school or other institution whose principal purpose is to furnish instruction in combative sports or sparring;

2. Any military installation or branch of the Armed Forces where the participants are employed by the military installation or are members of the branch of the Armed Forces sponsoring the contest or exhibition; and

3. Amateur combative sports events which are sanctioned by a Commission-approved and nationally recognized amateur sanctioning body. The nationally recognized amateur sanctioning body must present itself to the Commission and provide a copy of its rules and bylaws for Commission review and approval. Upon approval, the Commission, or its designated representatives, may visit, attend, investigate and audit, as the Commission deems necessary, any match, event, sanctioning body office or event office for the purpose of determining whether the rules and bylaws of the amateur sanctioning body as submitted to the Commission are being followed. The Commission administrator shall immediately rescind approval of any nationally recognized amateur sanctioning body, pending a hearing, if said sanctioning body is found to be negligent or noncommittal in the enforcement of the rules and bylaws presented to and approved by the Commission.

D. The following persons are specifically exempt from the provisions of the Oklahoma State Athletic Commission Act:

1. Practitioners and instructors of the martial arts as defined in Section 602 of this title; and

2. Instructors of amateur combative sports practitioners if such instructors are not required to be licensed pursuant to other provisions of the Oklahoma State Athletic Commission Act.

Added by Laws 1994, c. 240, § 6, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 4, emerg. eff. May 19, 1995; Laws 1999, c. 210, § 6, eff. July 1, 1999; Laws 2007, c. 178, § 2, eff. Nov. 1, 2007; Laws 2008, c. 329, § 7, eff. July 1, 2008; Laws 2009, c. 249, § 2, emerg. eff. May 22, 2009; Laws 2012, c. 359, § 6.

NOTE: Editorially renumbered from § 505 of this title to avoid duplication in numbering.

§3A-607. Application for sanctioning permit or license - Notice of sanction.

A. The Oklahoma State Athletic Commission shall promulgate rules necessary to implement processes for issuing sanctioning permits for professional combative sports events and amateur mixed martial arts events held or given in this state and for issuing licenses for participants of sanctioned contests and exhibitions, except those events and persons specifically exempt by the provisions of the Oklahoma State Athletic Commission Act.

B. All persons or entities who participate in any professional combative sports event or amateur mixed martial arts event sanctioned by the Commission, including, but not limited to, professional combative sports practitioners, corner persons, booking agents, matchmakers, promoters, referees, judges, timekeepers, vendors, physicians, announcers, clubs, and corporations associated with a professional combative sports event or amateur mixed martial arts event sanctioned by the Commission, shall be required to make

application to the Commission for a license to participate in this state in any professional combative sports event or amateur mixed martial arts event sanctioned by the Commission.

C. An application for a sanctioning permit or a license shall be on such form and require such information as shall be prescribed by the Commission.

D. The Commission shall determine reasonable costs and fees associated with issuing sanctioning permits and licenses. All costs and fees for sanctioning an event shall be payable by the promoter making application for a sanctioning permit. Costs and fees for a license may be paid by the participant making application or by the promoter of an event sanctioned by the Commission.

E. A sanctioning permit shall be in effect upon the date issued by the Commission and shall expire upon the conclusion of the event, unless the sanctioning permit is suspended or revoked for just cause by the Commission. Licenses shall be in effect upon the date issued by the Commission, and all licenses shall expire June 30 unless the license is suspended or revoked for just cause by the Commission.

F. Only promoters whose professional combative sports events or amateur mixed martial arts events have been sanctioned by the Commission are authorized to place a notice of sanction on printed and promotional materials associated with the sanctioned event, which shall include but not be limited to advertising, tickets, programs, posters, souvenirs, wearing apparel, billboards, marquees and promotional signs inside and outside the venue where the event is to be held, and broadcasting, including, but not limited to, radio, television, including cable television, pay-per-view television, and closed-circuit television and motion pictures of the event. The notice of sanction shall substantially state the following:

"Pursuant to the provisions of Section 601 et seq. of Title 3A of the Oklahoma Statutes and the rules of the Oklahoma State Athletic Commission, THIS EVENT IS SANCTIONED BY THE OKLAHOMA STATE ATHLETIC COMMISSION. Sanctioning Permit No. _____."

G. All fees and other monies resulting from sanctioning professional combative sports events and amateur mixed martial arts events and licenses shall be placed to the credit of the Oklahoma State Athletic Commission Revolving Fund.

Added by Laws 1994, c. 240, § 7, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 5, emerg. eff. May 19, 1995; Laws 1998, c. 348, § 3, emerg. eff. June 5, 1998; Laws 1999, c. 210, § 7, eff. July 1, 1999; Laws 2008, c. 329, § 8, eff. July 1, 2008; Laws 2012, c. 359, § 7. NOTE: Editorially renumbered from § 506 of this title to provide consistency in numbering.

§3A-608. Repealed by Laws 1995, c. 202, § 12, emerg. eff. May 19, 1995.

§3A-609. Sanctioning permit required - Prohibition by local ordinance or resolution.

A. A sanctioning permit issued by the Oklahoma State Athletic Commission shall be required in order to conduct, sponsor, hold, or participate in professional combative sports events or amateur mixed martial arts events.

B. No sanctioning permit shall be issued for conducting or holding any professional combative sports event or amateur mixed martial arts event within any political subdivision of this state where a local ordinance or resolution prohibits such contests or exhibitions within the limits of the political subdivision.

Added by Laws 1994, c. 240, § 9, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 6, emerg. eff. May 19, 1995; Laws 1999, c. 210, § 8, eff. July 1, 1999; Laws 2008, c. 329, § 9, eff. July 1, 2008; Laws 2012, c. 359, § 8.

NOTE: Editorially renumbered from § 508 of this title to provide consistency in numbering.

§3A-610. Withholding, suspension or revocation of license and sanctioning permit - Censure or reprimand - Fees.

A. The Oklahoma State Athletic Commission may issue, withhold, suspend, or revoke any and all licenses and sanctioning permits required by the provisions of the Oklahoma State Athletic Commission Act or the rules promulgated by the Commission. The Commission may also censure or reprimand any licensee or sanctioning permit holder.

B. The Commission shall fix a uniform scale of reasonable fees for all licenses, sanctioning permits, and examinations.

Added by Laws 1994, c. 240, § 10, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 7, emerg. eff. May 19, 1995; Laws 1999, c. 210, § 9, eff. July 1, 1999; Laws 2008, c. 329, § 10, eff. July 1, 2008; Laws 2012, c. 359, § 9.

NOTE: Editorially renumbered from § 509 of this title to provide consistency in numbering.

§3A-611. Considerations before issuance of license or sanctioning permit.

Before issuing any license or sanctioning permit, or taking any disciplinary action against a licensee, the Oklahoma State Athletic Commission shall consider the following in order of importance:

1. The preservation of the safety and health of the participants;
2. The best interest and welfare of the public; and
3. The best interest of combative sports in general.

Added by Laws 1994, c. 240, § 11, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 10, eff. July 1, 1999; Laws 2008, c. 329, § 11,

eff. July 1, 2008; Laws 2012, c. 359, § 10; Laws 2013, c. 290, § 3, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from § 510 of this title to provide consistency in numbering.

§3A-612. Security.

A. Before any sanctioning permit is issued to any promoter to conduct or hold a professional combative sports event or amateur mixed martial arts event, the applicant shall file with the Oklahoma State Athletic Commission a security in the form of a bond, cash, certificate of deposit, or other securities acceptable to the Commission, payable to the State of Oklahoma in an amount determined by the Commission, executed by the applicant and a surety company or companies authorized to do business in this state, and conditioned upon the faithful performance by the promoter, which shall include but not be limited to the cancellation of a professional combative sports event or amateur mixed martial arts event without good cause as determined by the Commission once the event has been approved by the Commission.

B. The security required under this section shall guarantee the payment of all taxes, fees, fines and other monies due and payable pursuant to the provisions of the Oklahoma State Athletic Commission Act and the rules promulgated by the Commission, including, but not limited to, the payment of purses to the competitors, any contributions for required insurance, pensions, disability and medical examinations, the repayment to ticket holders of purchased tickets, the payment of fees to ring officials and physicians, and, in the event of the cancellation of a professional combative sports event or amateur mixed martial arts event approved by the Commission without good cause, an amount determined by the Commission.

C. After issuance of a sanctioning permit to a promoter, the Commission may modify the amount of security required to ensure adequate and sufficient coverage for payments of taxes, fees, fines, purses, and other monies due and payable pursuant to the provisions of this section. Failure of any promoter to obtain the modified security required pursuant to this subsection within such period of time as the Commission may prescribe, shall be grounds for revocation of the sanctioning permit of such promoter.

D. All proceeds of securities collected pursuant to the provisions of this section shall be placed to the credit of the Oklahoma State Athletic Commission Revolving Fund.

Added by Laws 1994, c. 240, § 12, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 11, eff. July 1, 1999; Laws 2001, c. 162, § 2, emerg. eff. May 1, 2001; Laws 2008, c. 329, § 12, eff. July 1, 2008; Laws 2012, c. 359, § 11.

NOTE: Editorially renumbered from § 511 of this title to provide consistency in numbering.

§3A-613. Subpoena of witnesses, production of records - Audits - Suspension for just cause.

The Oklahoma State Athletic Commission may:

1. Subpoena witnesses and compel the production of any and all books, memoranda, documents, papers, and records showing the receipts and disbursements of any individual, club, or corporation licensed under the provisions of the Oklahoma State Athletic Commission Act;
2. Administer oaths or affirmations to witnesses;
3. Require, at any time, the suspension for just cause from involvement in any activity associated with professional combative sports or amateur mixed martial arts of any employee or official employed by any licensee or permittee pursuant to the Oklahoma State Athletic Commission Act;
4. Prescribe the manner that books and financial or other statements of any licensee or permittee relating to professional combative sports or amateur mixed martial arts shall be kept; and
5. Visit, investigate, audit, and place accountants and such other persons as the Commission may deem necessary in the offices or places of business related to professional combative sports or amateur mixed martial arts of any licensee or permittee for the purpose of ensuring that the rules of the Commission are complied with.

Added by Laws 1994, c. 240, § 13, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 12, eff. July 1, 1999; Laws 2008, c. 329, § 13, eff. July 1, 2008; Laws 2012, c. 359, § 12.

NOTE: Editorially renumbered from § 512 of this title to provide consistency in numbering.

§3A-614. Notice of violation - Hearing - Orders - Actions.

A. If upon inspection or investigation, or whenever the Oklahoma State Athletic Commission determines that a licensee has violated the Oklahoma State Athletic Commission Act or of any order, standard, or rule promulgated pursuant to the provisions of the Oklahoma State Athletic Commission Act has occurred, the Commission shall give written notice to the alleged violator specifying the cause of the determination. Such notice shall require that the violations be corrected and specify the terms of such correction or require that the alleged violator appear before the Commission at a time and place specified in the notice and answer the charges.

B. The Commission shall afford the alleged violator an opportunity for a hearing conducted in conformity with, and records made thereof as provided by the provisions of, the Administrative Procedures Act. On the basis of the evidence produced at the hearing, the Commission shall make findings of fact and conclusions of law and enter an order thereon. The Commission shall provide written notice of such order to the alleged violator and to such

other persons as shall have appeared at the hearing and made written request for notice of the order.

C. Upon the request of the Commission, the Attorney General shall bring an action against any person violating any of the provisions of the Oklahoma State Athletic Commission Act or violating any order or determination of the Commission.

Added by Laws 1994, c. 240, § 14, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 13, eff. July 1, 1999; Laws 2008, c. 329, § 14, eff. July 1, 2008; Laws 2012, c. 359, § 13; Laws 2013, c. 290, § 4, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from § 513 of this title to provide consistency in numbering.

§3A-615. Penalties - Administrative fines - Injunctions.

A. Any person who violates the provisions of the Oklahoma State Athletic Commission Act, upon first conviction, shall be guilty of a misdemeanor and shall be punished by the imposition of a fine of not more than One Thousand Dollars (\$1,000.00) or by incarceration in the county jail for not more than thirty (30) days or by both such fine and incarceration. Any person convicted of a second or subsequent violation shall be guilty of a felony punishable by a fine of not more than Five Thousand Dollars (\$5,000.00) or by incarceration in the county jail for a term of not more than one (1) year or by incarceration in the custody of the Department of Corrections for a period of not more than two (2) years or by both such fine and incarceration. The Oklahoma State Athletic Commission shall suspend or revoke the license of any person convicted of violating the provisions of the Oklahoma State Athletic Commission Act.

B. In addition to other penalties provided by law, if after a hearing in accordance with the provisions of Section 601 et seq. of this title, the Commission shall find any person licensed by the Commission to be in violation of any of the provisions, such person may be subject to an administrative fine of not more than Five Hundred Dollars (\$500.00) or not more than one percent (1%) of gross revenues received for each violation. Each day a person is in violation of the provisions of Section 601 et seq. of this title may constitute a separate violation. All administrative fines collected pursuant to the provisions of this subsection shall be placed to the credit of the Oklahoma State Athletic Commission Revolving Fund created pursuant to the provisions of Section 601 et seq. of this title. Administrative fines imposed pursuant to this subsection shall be enforceable in the district courts of this state.

C. Upon the request of the Commission, the Attorney General or the district attorney of the appropriate district court may make application to the appropriate court for an order enjoining the acts or practices prohibited by the provisions of Section 601 et seq. of this title, and upon a showing that the person has engaged in any of

the prohibited acts or practices, an injunction, restraining order, or other order as may be appropriate shall be granted by the court. Added by Laws 1994, c. 240, § 15, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 8, emerg. eff. May 19, 1995; Laws 1999, c. 210, § 14, eff. July 1, 1999; Laws 2008, c. 329, § 15, eff. July 1, 2008; Laws 2012, c. 359, § 14.

NOTE: Editorially renumbered from § 514 of this title to provide consistency in numbering.

§3A-616. Oklahoma State Athletic Commission Revolving Fund - Abolition of fund.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma State Athletic Commission to be designated the "Oklahoma State Athletic Commission Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received from fees, administrative fines, reimbursements, bond proceeds, and sale of materials, and shall include grants and gifts, pursuant to the Oklahoma State Athletic Commission Act. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State Department of Health as directed by the Commission for the purpose of implementing the provisions of the Oklahoma State Athletic Commission Act. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

B. The "Professional Boxing Licensing Revolving Fund" created for the Department of Health is hereby abolished. On July 1, 2008, any unencumbered funds remaining in the Professional Boxing Licensing Revolving Fund shall be transferred to the credit of the Oklahoma State Athletic Commission Revolving Fund. Any unexpended funds remaining in the Professional Boxing Licensing Revolving Fund after November 1, 2008, shall be transferred to the credit of the Oklahoma State Athletic Commission Revolving Fund.

Added by Laws 1994, c. 240, § 16, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 15, eff. July 1, 1999; Laws 2005, c. 462, § 2, eff. Nov. 1, 2005; Laws 2008, c. 329, § 16, eff. July 1, 2008; Laws 2009, c. 249, § 3, emerg. eff. May 22, 2009; Laws 2012, c. 304, § 26.

NOTE: Editorially renumbered from § 515 of this title to provide consistency in numbering.

§3A-617. Assessment - Total gross receipts, proceeds and telecasts included - Complimentary tickets - Payment - Gross receipts report - Records.

A. Except as otherwise provided in the Oklahoma State Athletic Commission Act, in addition to the payment of any other fees and monies due pursuant to the Oklahoma State Athletic Commission Act and

the rules promulgated by the Oklahoma State Athletic Commission, an assessment equal to five percent (5%) of the total gross receipts of any professional combative sports event or amateur mixed martial arts event conducted in this state, exclusive of any federal tax or tax imposed by any political subdivision of this state, shall be hereby levied and shall be remitted by every promoter and vendor to the Oklahoma State Athletic Commission.

B. The assessment established in subsection A of this section shall not exceed Thirty-five Thousand Dollars (\$35,000.00).

C. Promoters of professional boxing, professional mixed martial arts and amateur mixed martial arts events shall pay the greater of the five-percent assessment levied pursuant to subsection A of this section or Four Hundred Fifty Dollars (\$450.00) to the Commission.

D. Promoters of professional wrestling events shall pay the greater of the five-percent assessment levied pursuant to subsection A of this section or Eighty Dollars (\$80.00) to the Commission.

E. For the purpose of this section, total gross receipts of every promoter shall include:

1. The face value of all tickets sold; and

2. Proceeds from a vendor, or the promoter's gross price charged for the sale of food, alcoholic and nonalcoholic beverages, or merchandise, including, but not limited to, wearing apparel, souvenirs and programs.

F. For professional combative sports events or amateur mixed martial arts events at which admission tickets are not sold, the promoter shall remit an assessment equal to five percent (5%) of the revenues received by the promoter for the event.

G. For the purpose of this section, total gross receipts of every vendor shall include the gross price charged for the sale of food, alcoholic and nonalcoholic beverages, and merchandise including, but not limited to, wearing apparel, souvenirs, and programs, excluding that portion paid to any promoter.

H. Payment of the assessment on gross receipts, unless otherwise specified, shall be due within five (5) business days after the holding of the professional combative sports event or amateur mixed martial arts event and shall be accompanied by a report in such form as shall be prescribed by the Oklahoma State Athletic Commission.

I. A promoter shall not issue complimentary tickets for more than ten percent (10%) of the seats for any event. The promoter shall be responsible to pay the five-percent assessment levied pursuant to subsection A of this section on total receipts as prescribed in this section for any complimentary tickets in excess of ten percent (10%). All complimentary tickets must clearly indicate on the ticket that it is a complimentary ticket and state the value of the complimentary ticket. The face value of a complimentary ticket shall be equal to like tickets sold in that particular section of the venue. The complimentary tickets that are exempt from the

five-percent assessment levied pursuant to subsection A of this section shall be those tickets with the lowest face value.

J. Complimentary tickets shall not be given to a sponsor, elected official, person or any entity that gives the promoter of any event anything of value, including but not limited to money, in-kind goods or services, or advertising.

K. The first payment of the assessment on gross income received from the sale of motion picture rights shall be due at the end of the month after the date of the sale of the motion picture rights, and further payments shall be due every thirty (30) days thereafter, during the presentation of the picture, and shall be accompanied by a gross receipts report in such form as shall be prescribed by the Oklahoma State Athletic Commission.

L. Except as otherwise provided in the Oklahoma State Athletic Commission Act, in addition to the payment of any other fees and monies due pursuant to the Oklahoma State Athletic Commission Act and the rules promulgated by the Oklahoma State Athletic Commission, an assessment in an amount of five percent (5%) of the total gross receipts of every telecast promoter shall be levied. Total gross receipts shall include the gross price charged for the sale, lease, or other use of broadcasting, including, but not limited to, radio, television, including cable television, pay-per-view television, and closed-circuit television, or motion picture rights of combative sports or amateur mixed martial arts contests, events, or exhibitions conducted within this state, without any deductions for commissions, brokerage fees, distribution fees, advertising, or other expenses or charges.

M. 1. In the case of facilities at or through which the closed-circuit telecast is shown other than a cable system operator's pay-per-view facilities, the telecast promoter shall, within eight (8) days after the telecast, inclusive of mailing time, file with the Commission a written report detailing the name, address, telephone number, contact person's name, and the details of the payment arrangement for the right to receive the telecast for each facility to which the broadcast was transmitted.

2. The report shall be accompanied by the assessment payment required under subsection L of this section, excluding any federal, state or local taxes.

3. The Commission may require the owner or operator of the facility where the telecast is being shown to file a report containing information regarding the amount paid to the telecast promoter for the right to broadcast the telecast, the quality of the audio and video signal, and any other information the Commission deems appropriate.

N. 1. In the case of a cable system operator's pay-per-view facilities at or through which a closed-circuit telecast was shown within the state, the telecast promoter shall, within thirty (30)

days following receipt of the notice of the assessment from the Commission, cause to be filed with the Commission the assessment required pursuant to subsection L of this section, excluding any federal, state, or local taxes.

2. The cable system operator shall withhold from the proceeds due to the telecast promoter the assessment payment required pursuant to subsection L of this section and remit the assessment to the Commission on behalf of the telecast promoter. The cable system operator shall not be liable for the remittance of the assessment fee required pursuant to subsection L of this section from any proceeds due to the cable system operator from its pay-per-view events.

3. The Commission shall require the cable system operator to file reports containing information regarding the number of orders sold and the price charged for orders and any other information the Commission deems appropriate.

4. Cable system operators shall not be liable to the Commission for the assessment payment required under subsection L of this section. Nothing in this section shall be deemed to prevent a cable system operator from billing its customer for the assessment payment.

5. The Commission shall, upon request, provide the telecast promoter with a report detailing the number of orders and the assessment payment due.

O. Any promoter who willfully makes a false and fraudulent report under this section is guilty of perjury and, upon conviction, is subject to punishment as provided by law. This penalty shall be in addition to any other penalties imposed in this section.

P. Gross receipts reports signed under oath shall also include:

1. The name of the promoter;

2. The professional combative sports event or amateur mixed martial arts event sanctioning permit number;

3. The promoter's business address and any license or permit number required of such promoter by law;

4. Gross receipts as specified by this section, during the period specified by this section; and

5. Such further information as the Oklahoma State Athletic Commission may require to enable it to compute correctly and collect the assessment levied pursuant to this section.

Q. In addition to the information required on reports, the Oklahoma State Athletic Commission may request, and the promoter shall furnish, any information deemed necessary for a correct computation of the assessment levied pursuant to this section.

R. All levies pursuant to this section shall be collected by the Commission and shall be placed to the credit of the Oklahoma State Athletic Commission Revolving Fund.

S. The monies collected from the assessment levied pursuant to the provisions of this section shall be in addition to all other

revenues and funds received by the Oklahoma State Athletic Commission.

T. The promoter shall compute and pay to the Oklahoma State Athletic Commission the required assessment due. If the payment of the assessment is not postmarked or delivered to the Oklahoma State Athletic Commission as specified in subsections H through L of this section, whichever is appropriate, the assessment shall be delinquent from such date.

U. It shall be the duty of every promoter required to make a gross receipts report and pay any assessment pursuant to the provisions of this section to keep and preserve suitable records and documents which may be necessary to determine the amount of assessment due as will substantiate and prove the accuracy of such reports. All such records shall be preserved for a period of three (3) years, unless the Oklahoma State Athletic Commission, in writing, has authorized their destruction or disposal at an earlier date, and shall be open to examination at any time by the Oklahoma State Athletic Commission or by any of its authorized employees.

Added by Laws 1994, c. 240, § 17, eff. Sept. 1, 1994. Amended by Laws 1995, c. 202, § 9, emerg. eff. May 19, 1995; Laws 1998, c. 348, § 4, emerg. eff. June 5, 1998; Laws 1999, c. 210, § 16, eff. July 1, 1999; Laws 2003, c. 331, § 2, eff. July 1, 2003; Laws 2004, c. 184, § 2, emerg. eff. May 3, 2004; Laws 2005, c. 462, § 3, eff. Nov. 1, 2005; Laws 2008, c. 329, § 17, eff. July 1, 2008; Laws 2012, c. 359, § 15; Laws 2013, c. 290, § 5, eff. Nov. 1, 2013.

NOTE: Editorially renumbered from § 516 of this title to provide consistency in numbering.

§3A-618. Repealed by Laws 1995, c. 202, § 12, emerg. eff. May 19, 1995.

§3A-619. Annual report.

Beginning February 1, 2000, the Oklahoma State Athletic Commission shall file an annual report of combative sports activities in Oklahoma with the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. Said report shall include but not be limited to the amount of revenue collected, the number of permits and licenses issued and revoked, the number of violations of the Oklahoma State Athletic Commission Act, and the number of professional combative sports events and amateur mixed martial arts events conducted.

Added by Laws 1994, c. 240, § 19, eff. Sept. 1, 1994. Amended by Laws 1999, c. 210, § 17, eff. July 1, 1999; Laws 2008, c. 329, § 18, eff. July 1, 2008; Laws 2012, c. 359, § 16.

NOTE: Editorially renumbered from § 518 of this title to provide consistency in numbering.

§3A-620. Repealed by Laws 1995, c. 202, § 12, emerg. eff. May 19, 1995.

§3A-621. Repealed by Laws 2005, c. 462, § 4, eff. Nov. 1, 2005.

§3A-622. Telecast promoters - License - Names and addresses of facilities - Unauthorized telecasts - Report - Assessment payments - Penalties.

A. Where the Oklahoma distribution rights for a closed-circuit telecast to be viewed in this state are in whole owned by, sold to, acquired by or held by any person who intends to or subsequently sells or, in some other manner, extends such rights in part to another, then such person is deemed to be a telecast promoter. The Oklahoma State Athletic Commission may provide, by rule, for additional licensed telecast promoters to participate in the distribution rights and share in the liability for assessments to be paid to the Commission. Closed-circuit telecasts of a combative sports or amateur mixed martial arts event conducted in this state shall not be telecast within this state except under the auspices of a telecast promoter licensed in this state. The telecast promoter shall be responsible for filing the appropriate reports with and paying assessments to the Commission.

B. In the case of closed-circuit telecasts other than pay-per-view, the telecast promoter shall notify the Commission of the names and addresses of all facilities to or through which the closed-circuit telecast will be shown fourteen (14) days prior to the date of the closed-circuit event and shall provide daily updates to the Commission of any additions and deletions of facilities.

C. Any person or facility owner or operator intending to show the closed-circuit telecast, whether or not an admission fee will be charged, must receive authorization to show the telecast from the telecast promoter prior to the telecast. The showing of a closed-circuit telecast, whether or not an admission fee is charged, without the authorization of the licensed telecast promoter is prohibited. Delayed showing of a closed-circuit telecast also requires the authorization of the telecast promoter. Information received by the Commission of the names of persons showing a closed-circuit telecast in violation of this section shall be furnished to the appropriate district attorney's office for prosecution.

D. Any telecast promoter who willfully fails, neglects, or refuses to make a report or cause to be paid the assessment as prescribed, or who refuses to allow the Commission to examine the books, papers, and records of any promotion is guilty of a misdemeanor, punishable as provided by law. Any remitter who willfully fails, neglects, or refuses to remit the assessment as prescribed, is guilty of a misdemeanor, punishable as provided by law.

E. By rule, the Commission shall establish administrative penalties as specified in the Oklahoma State Athletic Commission Act for the late payment of assessments, noncompliance with the Oklahoma State Athletic Commission Act, and the late filing of reports and shall prescribe conditions, if any, under which a fine may be waived.

F. No cable system operator shall be:

1. Prohibited from broadcasting any boxing event, whether or not the promoter or distributor is in compliance with the provisions of the Oklahoma State Athletic Commission Act, for which it has a contract or other legal obligation to broadcast; and

2. Required, as a result of any noncompliance with the provisions of this act by any promoter or distributor, to modify, delete, or cancel any programming which it has a contractual or legal obligation to air.

G. The Oklahoma State Athletic Commission Act shall not apply in any manner to any basic or premium channel programming broadcast on cable television systems within this state, but shall apply only to "pay-per-view" broadcasts of combative sports or amateur mixed martial arts events conducted in this state for which a separate one-time fee is charged the cable subscriber.

Added by Laws 1995, c. 202, § 11, emerg. eff. May 19, 1995. Amended by Laws 1998, c. 348, § 5, emerg. eff. June 5, 1998; Laws 1999, c. 210, § 19, eff. July 1, 1999; Laws 2003, c. 331, § 3, eff. July 1, 2003; Laws 2004, c. 184, § 3, emerg. eff. May 3, 2004; Laws 2008, c. 329, § 19, eff. July 1, 2008; Laws 2012, c. 363, § 1, eff. Dec. 31, 2012.

§3A-623. Liability for damages - Ring official physicians.

Any physician providing medical services at an amateur or professional athletic event sanctioned pursuant to the Oklahoma State Athletic Commission Act who is a ring official at the event and renders or attempts to render emergency care to an injured participant who is in need of immediate medical aid shall not be liable for damages as a result of any acts or omissions except for committing gross negligence or willful or wanton negligence in rendering the emergency care.

Added by Laws 2011, c. 113, § 1, eff. July 1, 2011.

§3A-624. Licensure - Certified copy of test results.

A. Except as otherwise provided in this section, prior to being issued a license pursuant to this act every participant applicant shall submit a certified copy of results from testing performed by a laboratory certified pursuant to 42 C.F.R. Part 493 verifying that the applicant is not infected with the human immunodeficiency virus (HIV), the hepatitis B virus or the hepatitis C virus. The testing shall be performed no more than three hundred sixty-five (365) days before the application is submitted. A statement from a doctor of

osteopathy or medical doctor indicating that the applicant has successfully completed a full course of vaccinations for hepatitis B may be submitted in lieu of the results of testing for hepatitis B. Except as otherwise provided in this section, an applicant who receives positive results from any of the tests required by this section shall be denied a license for the particular contest.

B. If a participant must be replaced within twenty-four (24) hours of an event, a promoter may replace the participant that has been pulled with a new participant that has complied with the testing requirements found in subsection A of this section.

C. Notwithstanding the requirement for testing stated in subsection A of this section, the participant and opponent, ring official, and ringside physician may agree, in writing, to waive the denial of licensure for failure to timely submit the required certified test results, and by such signed written agreement, the participant and opponent shall be granted a license to participate in their particular contest.

Added by Laws 2011, c. 191, § 1, eff. Jan. 1, 2012.

NOTE: Editorially renumbered from § 623 of this title to avoid duplication in numbering.

§3A-701. Short title.

This act shall be known and may be cited as the "Oklahoma Education Lottery Act".

Added by Laws 2003, c. 58, § 2, adopted at election held on Nov. 2, 2004.

§3A-702. Intent of act.

It is the intent of the people of the State of Oklahoma:

1. That net proceeds of lottery games conducted pursuant to the Oklahoma Education Lottery Act shall be used to support improvements and enhancements for educational purposes and programs and that such net proceeds shall be used to supplement rather than replace existing resources for educational purposes and programs;

2. That there shall be created a public body, corporate and politic, known as the Oklahoma Lottery Commission, with powers as defined in the Oklahoma Education Lottery Act which shall be exercised for the benefit of the State of Oklahoma, and with requirements for full public disclosure of its operations and finances;

3. That lottery games shall be operated and managed in a manner which provides full and complete public disclosure of lottery operations, provides continuing entertainment to the public, maximizes net proceeds available for educational purposes and programs and ensures that the lottery is operated with integrity and dignity and free of political influence;

4. That the Oklahoma Lottery Commission be operated in such a manner that, after debt issued pursuant to the provisions of Section 33 of this act is repaid, it is self-sustaining and self-funded; and

5. That the Oklahoma Lottery Commission shall be accountable to the Legislature and to the people of this state through availability to the public of its records pursuant to the Oklahoma Open Records Act, access to meetings pursuant to the Oklahoma Open Meeting Act, and development and monitoring of a comprehensive system of public audits and reports.

Added by Laws 2003, c. 58, § 3, adopted at election held on Nov. 2, 2004.

§3A-703. Definitions.

As used in the Oklahoma Education Lottery Act:

1. "Administrative expenses" means operating expenses, excluding amounts set aside for prizes, regardless of whether such prizes are claimed and excluding amounts deposited to the Fidelity Revolving Fund pursuant to Section 20 of this act;

2. "Board" means the board of trustees of the Oklahoma Lottery Commission;

3. "Capital outlay projects" means the acquisition, construction, installation, modification, renovation, repair, extension, renewal, replacement, or rehabilitation of land, interests in land, buildings, structures, facilities, or other improvements and the acquisition, installation, modification, renovation, repair, extension, renewal, replacement, rehabilitation, or furnishing of fixtures, machinery, equipment, computers, software, laboratories, furniture, textbooks, and reference material or other property of any nature whatsoever used on, in, or in connection with educational facilities;

4. "Commission" means the Oklahoma Lottery Commission;

5. "Educational facilities" means land, structures, and buildings owned or operated by and through the Oklahoma State Regents for Higher Education, the State Board of Education, the Oklahoma Department of Career and Technology Education, or by any school district within this state. A public road or highway leading to an educational facility shall not be considered an educational facility;

6. "Executive director" means the chief executive officer and administrator of the Oklahoma Lottery Commission;

7. "Gross proceeds" means all revenue derived from the sale of lottery tickets or shares and all other monies derived from the lottery;

8. "Instant ticket" means a lottery ticket that requires the player to remove a coating to determine if a prize has been won;

9. "Lottery", "lotteries", "lottery game", or "lottery games" means an activity conducted by the Commission under the Oklahoma Education Lottery Act through which prizes are awarded or distributed

by chance among persons who have paid for a chance or other opportunity to receive a prize, including, but not limited to, instant tickets and on-line games, but excluding charity bingo and games conducted pursuant to the Oklahoma Charity Games Act, poker, blackjack, slot machines, pulltab machines, card games, dice, dominos, roulette wheels, or other similar forms of gambling, or electronic or video forms of these gambling activities, or games where winners are determined by the outcome of a sports contest, or pari-mutuel betting conducted pursuant to the Oklahoma Horse Racing Act;

10. "Major procurement contract" means any gaming product or service costing in excess of Twenty-five Thousand Dollars (\$25,000.00), including, but not limited to, major advertising contracts, annuity contracts, prize payment agreements, consulting services, equipment, tickets, and other products and services unique to the Oklahoma lottery, but not including materials, supplies, equipment, and services common to the ordinary operations of the Commission;

11. "Member" or "members" means a trustee or trustees of the board of trustees of the Oklahoma Lottery Commission;

12. "Member of a minority" means an individual who is a member of a race which comprises less than fifty percent (50%) of the total population of Oklahoma;

13. "Minority business" means any business which is owned by:

- a. an individual who is a member of a minority who reports as the personal income of the individual for Oklahoma income tax purposes the income of the business,
- b. a partnership in which a majority of the ownership interest is owned by one or more members of a minority who report as their personal income for Oklahoma income tax purposes more than fifty percent (50%) of the income of the partnership, or
- c. a corporation organized under the laws of this state in which a majority of the common stock is owned by one or more members of a minority who report as their personal income for Oklahoma income tax purposes more than fifty percent (50%) of the distributed earnings of the corporation;

14. "Net proceeds" means all revenue derived from the sale of lottery tickets or shares and all other monies derived from the lottery less operating expenses;

15. "On-line games" means a game where tickets or shares are purchased through a network of computer terminals located at retail outlets, and such terminals are linked to a central computer that records the purchases;

16. "Operating expenses" means all costs of doing business, including but not limited to, prizes, commissions, and other

compensation paid to retailers, advertising and marketing costs, personnel costs, capital costs, amounts held in or paid from the Fidelity Revolving Fund pursuant to Section 20 of this act, debt service payments for the payment of the initial expenses of start-up, administration, and operation of the Commission and the lottery, and other operating costs;

17. "Pari-mutuel betting" means the pari-mutuel system of wagering as defined in Section 200.1 of Title 3A of the Oklahoma Statutes. Such term shall not include a lottery game which may be predicated on a horse-racing scheme that does not involve actual track events or traditional lottery games which may involve the distribution of winnings by pools;

18. "Person" means any individual, corporation, partnership, unincorporated association, limited liability company, or other legal entity;

19. "Retailer" means a person who sells lottery tickets or shares on behalf of the Commission pursuant to a contract;

20. "Share" means any intangible evidence of participation in a lottery game;

21. "Ticket" means any tangible evidence issued by the lottery to provide participation in a lottery game; and

22. "Vendor" means a person who provides or proposes to provide goods or services to the Commission pursuant to a major procurement contract, but does not include an employee of the Commission, a retailer, or a state agency or instrumentality thereof. Such term does not include any corporation whose shares are publicly traded and which is the parent company of the contracting party in a major procurement contract.

Added by Laws 2003, c. 58, § 4, adopted at election held on Nov. 2, 2004.

§3A-704. Oklahoma Lottery Commission - Creation - Office - Venue.

There is hereby created a body corporate and politic to be known as the Oklahoma Lottery Commission which shall be deemed to be an instrumentality of the state. The principal office of the Commission shall be located in Oklahoma County, and the venue of any action against the Commission shall be Oklahoma County.

Added by Laws 2003, c. 58, § 5, adopted at election held on Nov. 2, 2004.

§3A-705. Oklahoma Lottery Commission - Board of Trustees.

A. The Oklahoma Lottery Commission shall be governed by a board of trustees composed of seven (7) members to be appointed by the Governor with the advice and consent of the Senate. Not more than two members shall be appointed from any single congressional district.

B. Members shall be residents of the State of Oklahoma, shall be prominent persons in their businesses or professions, and shall not have been convicted of any felony offense, and shall not be awaiting sentencing on a plea of guilt or nolo contendere to a felony offense. At least one member of the board shall be engaged in the practice of law, at least one member shall be engaged in the practice of accounting, and at least one member shall have expertise in marketing.

C. Members shall serve terms of five (5) years, except that of the initial members appointed, one shall be appointed for an initial term of one (1) year, one shall be appointed for an initial term of two (2) years, one shall be appointed for an initial term of three (3) years, two shall be appointed for initial terms of four (4) years, and two shall be appointed for initial terms of five (5) years. Any vacancy occurring on the board shall be filled by the Governor by appointment with the advice and consent of the Senate for the remainder of the unexpired term.

D. Members of the board shall not have any direct or indirect interest in an undertaking that puts their personal interest in conflict with that of the Commission, including, but not limited to, an interest in a major procurement contract or a participating retailer.

E. Members of the board shall be reimbursed for travel expenses pursuant to the State Travel Reimbursement Act.

F. The members shall elect from their membership a chair, vice-chair, secretary, and treasurer. Such officers shall serve for such terms as shall be prescribed by the rules of the Commission or until their respective successors are elected and qualified. No member of the board shall hold more than any one office of the Commission at the same time, except that the same person may serve as secretary and treasurer.

G. The board of trustees shall employ an executive director of the Commission.

H. A majority of members in office shall constitute a quorum for the transaction of any business and for the exercise of any power or function of the Commission.

I. All meetings of the board shall be subject to the Oklahoma Open Meeting Act. Action may be taken and motions and resolutions adopted by the board at any meeting thereof by the affirmative vote of a majority of present and voting board members.

J. No vacancy in the membership of the board shall impair the right of the members to exercise all the powers and perform all the duties of the board.

Added by Laws 2003, c. 58, § 6, adopted at election held on Nov. 2, 2004.

§3A-706. Lottery Retailer Advisory Board.

A. The chair of the board of trustees of the Oklahoma Lottery Commission shall appoint a Lottery Retailer Advisory Board to be composed of ten (10) lottery retailers representing the broadest possible spectrum of geographical, racial, and business characteristics of lottery retailers. The function of the advisory board shall be to advise the board of trustees on retail aspects of the lottery and to present the concerns of lottery retailers throughout the state.

B. Members appointed to the Lottery Retailer Advisory Board shall serve terms of two (2) years. Five of the initial appointees shall serve initial terms of one (1) year.

C. Meetings of the advisory board shall be subject to the Oklahoma Open Meeting Act. Members of the advisory board shall serve without compensation or reimbursement of expenses. The advisory board may report to the board of trustees or to the oversight committee created in Section 35 of this act in writing at any time. The board of trustees may invite the advisory board to make an oral presentation to the board of trustees at regular meetings of the board.

Added by Laws 2003, c. 58, § 7, adopted at election held on Nov. 2, 2004.

§3A-707. Duties of board of trustees.

The board of trustees of the Oklahoma Lottery Commission shall:

1. Approve, disapprove, amend, or modify the budget recommended by the executive director for the operation of the Commission;
2. Approve, disapprove, amend, or modify the terms of major lottery procurements recommended by the executive director;
3. Hear appeals of hearings required by the Oklahoma Education Lottery Act;
4. Promulgate rules relating to the conduct of lottery games; and
5. Perform such other functions as specified by the Oklahoma Education Lottery Act.

Added by Laws 2003, c. 58, § 8, adopted at election held on Nov. 2, 2004.

§3A-708. Executive director.

The board of trustees of the Oklahoma Lottery Commission shall appoint and shall provide for the compensation of an executive director who shall be an employee of the Commission and who shall direct the day-to-day operations and management of the Commission and shall be vested with those powers and duties specified by the board and by law. The executive director shall serve at the pleasure of the board.

Added by Laws 2003, c. 58, § 9, adopted at election held on Nov. 2, 2004.

§3A-709. Powers of Commission.

A. The Oklahoma Lottery Commission shall have any and all powers necessary or convenient to its usefulness in carrying out and effectuating the purposes and provisions of the Oklahoma Education Lottery Act which are not in conflict with the Oklahoma Constitution and laws of this state including, but not limited to, the following:

1. To sue and be sued in contract, equity, mandamus, and similar actions in its own name and to complain and defend in all courts;

2. To adopt and alter a seal;

3. To hold copyrights, trademarks, and service marks and enforce its rights with respect thereto;

4. To acquire or lease real property and make improvements thereon and acquire by lease or by purchase personal property, including, but not limited to, computers and intangible property, including, but not limited to, computer programs, systems, and software;

5. To enter into contracts to incur debt in its own name and enter into financing agreements with the state, agencies or instrumentalities of the state, or with any commercial financial institution or credit provider as provided in Section 732 of this title;

6. To select and contract with vendors and retailers;

7. To enter into contracts or agreements with state or local law enforcement agencies for the performance of law enforcement, background investigations, and security checks;

8. To administer oaths, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, papers, documents, and other evidence relative to any investigation or proceeding conducted by the Commission;

9. To enter into contracts of any and all types on such terms and conditions as the Commission may determine;

10. To advertise and promote the lottery and lottery games. None of the advertisement and promotion for games and products offered by the Oklahoma Lottery allowed by this paragraph shall involve children under the age of eighteen (18) in any manner;

11. To inform the public about Oklahoma Lottery Commission contributions to Oklahoma education programs; and

12. To act as a retailer, to conduct promotions which involve the dispensing of lottery tickets or shares, and to establish and operate a sales facility to sell lottery tickets or shares and any related merchandise.

B. The board of trustees of the Oklahoma Lottery Commission shall have any and all powers necessary or convenient to its usefulness in carrying out and effectuating the purposes and provisions of the Oklahoma Education Lottery Act which are not in

conflict with the Oklahoma Constitution and laws of this state including, but not limited to, the following:

1. To adopt, amend, and repeal policies and procedures and to promulgate rules for the regulation of its affairs and the conduct of its business, to prescribe the duties of officers of the board, and to perform such other duties as may be required by law. In the promulgation of rules, the board shall be subject to the Administrative Procedures Act;

2. To procure insurance;

3. To initiate, supervise, and administer the operation of the lottery in accordance with the provisions of the Oklahoma Education Lottery Act and rules, policies, and procedures adopted pursuant thereto;

4. To enter into written agreements with one or more other states or sovereigns for the operation, participation in marketing, and promotion of a joint lottery or joint lottery games. Such an agreement may be entered into with a federally recognized Indian tribe only if a cooperative agreement authorizing the Commission to do so has been entered into by the Governor and such a tribe and has been further approved by the Joint Committee on State-Tribal Relations pursuant to the provisions of Section 1221 et seq. of Title 74 of the Oklahoma Statutes;

5. To direct the executive director to conduct or have conducted such market research as is necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game and an analysis of advertising, promotion, public relations, incentives, and other aspects of communication; and

6. To adopt and amend such rules, policies, and procedures as necessary to implement its powers and duties, organize and operate the Commission, regulate the conduct of lottery games in general, and any other matters necessary or desirable for the efficient and effective operation of the lottery or the convenience of the public.

C. The powers enumerated in subsections A and B of this section are cumulative of and in addition to those powers enumerated elsewhere in the Oklahoma Education Lottery Act, and no such powers limit or restrict any other powers of the Oklahoma Lottery Commission or the board of trustees.

Added by Laws 2003, c. 58, § 10, adopted at election held on Nov. 2, 2004. Amended by Laws 2011, c. 259, § 1; Laws 2019, c. 83, § 1, eff. Nov. 1, 2019.

§3A-710. Rules - Video lottery machines prohibited.

The board of trustees of the Oklahoma Lottery Commission may promulgate rules regulating the conduct of lottery games in general, including, but not limited to, rules specifying:

1. The type of lottery games to be conducted, including, but not limited to, instant lotteries and other games traditional to the lottery;

2. The sale price of tickets or shares and the manner of sale. All sales shall be for cash or debit cards only and payment by checks, credit cards, charge cards, or any form of deferred payment is prohibited;

3. The number and amount of prizes;

4. The method and location of selecting or validating winning tickets or shares;

5. The manner and time of payment of prizes, which may include lump-sum payments or installments over a period of years;

6. The manner of payment of prizes to the holders of winning tickets or shares, including, without limitation, provision for payment of prizes by retailers not exceeding Six Hundred Dollars (\$600.00) after deducting the price of the ticket or share and after performing validation procedures appropriate to the game and as specified by the board. The board may provide for a limited number of retailers who can pay prizes of up to Five Thousand Dollars (\$5,000.00) after performing validation procedures appropriate to the game and as specified by the board without regard to where the ticket or share was purchased;

7. The frequency of games and drawings or selection of winning tickets or shares;

8. The means of conducting drawings;

9. The method to be used in selling tickets or shares;

10. The manner and amount of compensation to lottery retailers; and

11. Any other matters necessary to ensure the efficient and effective operation of lottery games, the continued entertainment and convenience of the public, and the integrity of the lottery.

The board of trustees shall not permit the operation of any lottery game using a video lottery machine. "Video lottery machine" means any electronic video game machine that, upon furnishing of consideration, is available to play or simulate the play of a video game, including, but not limited to, bingo and games conducted pursuant to the Oklahoma Charity Games Act, poker, blackjack, slot machines, pulltab machines, card games, dice, dominos, roulette wheels, or other similar forms of gambling, or games where winners are determined by the outcome of a sports contest, using a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash, coins or tokens, or that directly dispenses cash, coins or tokens.

Added by Laws 2003, c. 58, § 11, adopted at election held on Nov. 2, 2004, in State Question No. 705, Legislative Referendum No. 330.

Amended by Laws 2005, c. 99, § 1, emerg. eff. April 25, 2005; Laws 2018, c. 172, § 1, eff. Nov. 1, 2018.

§3A-711. Powers and duties of executive director.

A. The executive director of the Oklahoma Lottery Commission shall direct and supervise all administrative and technical activities in accordance with the provisions of the Oklahoma Education Lottery Act and with the rules promulgated by the board of trustees of the Oklahoma Lottery Commission. It shall be the duty of the executive director to:

1. Facilitate the initiation of and supervise and administer the operation of the lottery games;

2. Employ by contract and compensate such persons and firms as deemed necessary;

3. Promote or provide for promotion of the lottery and any functions related to the Commission;

4. Prepare a budget for the approval of the board;

5. Require bond from such retailers and vendors in such amounts as required by the board;

6. Report quarterly to the State Auditor and Inspector and the board a full and complete statement of lottery revenues and expenses for the preceding quarter; and

7. Perform other duties generally associated with an executive director or a chief executive officer of a state lottery.

B. In accordance with the provisions of the Oklahoma Education Lottery Act or the rules of the board, the executive director may for good cause suspend, revoke, or refuse to renew any contract entered into.

C. The executive director or designee may conduct hearings and administer oaths to persons for the purpose of assuring the security or integrity of lottery operations or to determine the qualifications of or compliance by vendors and retailers.

Added by Laws 2003, c. 58, § 12, adopted at election held on Nov. 2, 2004.

§3A-712. Personnel - Conflict of interest - Background investigation - Bond.

A. The executive director of the Oklahoma Lottery Commission, with the approval of the board of trustees, shall employ such personnel as may be necessary to carry out the provisions of this act and shall set the compensation and terms of compensation of such employees. All offices, positions, and personnel of the Oklahoma Lottery Commission shall be in the unclassified service.

B. No employee of the Commission shall have a financial interest in any vendor doing business or proposing to do business with the Commission.

C. No employee of the Commission shall participate in any decision involving a retailer with whom the employee has a financial interest.

D. No employee of the Commission who leaves the employment of the Commission may represent any vendor or lottery retailer before the Commission for a period of two (2) years following termination of employment with the Commission.

E. A background investigation shall be conducted on each applicant who has reached the final selection process prior to employment by the Commission at the level of division director and above and at any level within any division of security and as otherwise required by the board of trustees of the Oklahoma Lottery Commission. The Commission shall pay for the actual cost of the investigations and shall contract with the Oklahoma State Bureau of Investigation for the performance of the investigations. The results of a background investigation shall not be considered a record open to the public pursuant to the Oklahoma Open Records Act.

F. No person who has been convicted of any felony or a misdemeanor involving illegal gambling or involving moral turpitude shall be employed by the Commission, nor shall the Commission employ a person who is awaiting sentencing on a plea of guilt or nolo contendere to such a felony or misdemeanor.

G. The Commission shall bond Commission employees with access to Commission funds or lottery revenue in an amount specified by the board and may bond other employees as deemed necessary.

Added by Laws 2003, c. 58, § 13, adopted at election held on Nov. 2, 2004.

§3A-713. Disposition of proceeds - Oklahoma Education Lottery Trust Fund - Appropriation of proceeds - Replenishment of fund - Oklahoma Education Lottery Revolving Fund - Appropriations made available on a monthly basis.

A. All gross proceeds shall be the property of the Oklahoma Lottery Commission. From its gross proceeds, the Commission shall pay the operating expenses of the Commission. At least forty-five percent (45%) of gross proceeds shall be made available as prize money. However, the provisions of this subsection shall be deemed not to create any lien, entitlement, cause of action, or other private right, and any rights of holders of tickets or shares shall be determined by the Commission in setting the terms of its lottery or lotteries.

B. The Oklahoma Lottery Commission shall submit a written report of its findings and any recommendations regarding the impact of removing the requirement that net proceeds shall equal at least thirty-five percent (35%) of the gross proceeds. The report shall be submitted to the Governor, the Speaker of the Oklahoma House of Representatives and the President Pro Tempore of the Oklahoma State Senate not later than October 1, 2020, and annually thereafter.

C. There is hereby created in the State Treasury a fund to be designated the "Oklahoma Education Lottery Trust Fund". Except as

otherwise provided in subsections I and J of this section, on or before the fifteenth day of each calendar quarter, the Commission shall transfer to the State Treasurer, for credit to the Oklahoma Education Lottery Trust Fund, the amount of all net proceeds accruing during the preceding calendar quarter. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

D. Upon their deposit into the State Treasury, any monies representing a deposit of net proceeds shall then become the unencumbered property of this state, and neither the Commission nor the board of trustees shall have the power to agree or undertake otherwise. The monies shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise be the unencumbered property of the state and shall accrue to the credit of the fund provided for in subsection C of this section.

E. Monies in the Oklahoma Education Lottery Trust Fund shall only be appropriated as follows:

1. Forty-five percent (45%) for the following:
 - a. kindergarten through twelfth grade public education, including but not limited to compensation and benefits for public school teachers and support employees, and
 - b. early childhood development programs, which shall include but not be limited to costs associated with prekindergarten and full-day kindergarten programs;
2. Forty-five percent (45%) for the following:
 - a. tuition grants, loans and scholarships to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges and universities are owned or operated by the Oklahoma State Regents for Higher Education, or to attend institutions operated under the authority of the Oklahoma Department of Career and Technology Education; provided such tuition grants, loans and scholarships shall not be made to a citizen of this state to attend a college or university which is not accredited by the Oklahoma State Regents for Higher Education,
 - b. construction of educational facilities for elementary school districts, independent school districts, The Oklahoma State System of Higher Education, and career and technology education,
 - c. capital outlay projects for elementary school districts, independent school districts, The Oklahoma State System of Higher Education, and career and technology education,

- d. technology for public elementary school district, independent school district, state higher education, and career and technology education facilities, which shall include but not be limited to costs of providing to teachers at accredited public institutions who teach levels kindergarten through twelfth grade, personnel at technology centers under the authority of the Oklahoma State Department of Career and Technology Education, and professors and instructors within The Oklahoma State System of Higher Education, the necessary training in the use and application of computers and advanced electronic instructional technology to implement interactive learning environments in the classroom and to access the statewide distance learning network and costs associated with repairing and maintaining advanced electronic instructional technology,
- e. endowed chairs for professors at institutions of higher education operated by The Oklahoma State System of Higher Education, and
- f. programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind;

3. Five percent (5%) to the School Consolidation and Assistance Fund. When the total amount in the School Consolidation and Assistance Fund from all sources equals Five Million Dollars (\$5,000,000.00), all monies appropriated pursuant to this paragraph which would otherwise be deposited in the School Consolidation and Assistance Fund in excess of Five Million Dollars (\$5,000,000.00) shall be allocated by the State Department of Education to public schools based on the audited end-of-year average daily membership in grades 8 through 12 during the preceding school year for the purpose of purchasing technology equipment. If at any time the total amount in the School Consolidation and Assistance Fund drops below Five Million Dollars (\$5,000,000.00), the monies appropriated pursuant to this paragraph shall be deposited in the School Consolidation and Assistance Fund until the Fund again reaches Five Million Dollars (\$5,000,000.00); and

4. Five percent (5%) to the Teachers' Retirement System Dedicated Revenue Revolving Fund. In no instance shall the annual maximum percentage for administrative costs, not including marketing and advertising costs, funds set aside for prizes, commissions paid to retailers, contract fees paid to gaming system vendors and instant ticket providers or emergency-related capital expenses, exceed three percent (3%) of sales.

F. The Legislature shall appropriate funds from the Oklahoma Education Lottery Trust Fund only for the purposes specified in subsection E of this section. Even when funds from the trust fund

are used for these purposes, the Legislature shall not use funds from the trust fund to supplant or replace other state funds supporting common education, higher education, or career and technology education.

G. In order to ensure that the funds from the trust fund are used to enhance and not supplant funding for education, the State Board of Equalization shall examine and investigate appropriations from the trust fund each year. At the meeting of the State Board of Equalization held within five (5) days after the monthly apportionment in February of each year, the State Board of Equalization shall issue a finding and report which shall state whether appropriations from the trust fund were used to enhance or supplant education funding. If the State Board of Equalization finds that education funding was supplanted by funds from the trust fund, the Board shall specify the amount by which education funding was supplanted. In this event, the Legislature shall not make any appropriations for the ensuing fiscal year until an appropriation in that amount is made to replenish the trust fund.

H. Except as otherwise provided by this subsection, no deficiency in the Oklahoma Education Lottery Trust Fund shall be replenished by reducing any nonlottery funds, including specifically but without limitation, the General Revenue Fund, the Constitutional Reserve Fund or the Education Reform Revolving Fund of the State Department of Education. No program or project started specifically from lottery proceeds shall be continued from the General Revenue Fund, the Constitutional Reserve Fund or the Education Reform Revolving Fund of the State Department of Education. Such programs must be adjusted or discontinued according to available lottery proceeds unless the Legislature by general law establishes eligibility requirements and appropriates specific funds therefor. No surplus in the Oklahoma Education Lottery Trust Fund shall be reduced or transferred to correct any nonlottery deficiencies in sums available for general appropriations. The provisions of this subsection shall not apply to bonds or other obligations issued pursuant to or to the repayment of bonds or other obligations issued pursuant to the Oklahoma Higher Education Promise of Excellence Act of 2005.

I. There is hereby created in the State Treasury a revolving fund to be designated the "Oklahoma Education Lottery Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Commission. The Commission shall make payments of net proceeds from the fund to the Oklahoma Education Lottery Trust Fund on or before the fifteenth day of each calendar quarter as provided in subsection C of this section. All monies accruing to the credit of the Oklahoma Education Lottery Revolving Fund are hereby appropriated and may be budgeted and expended for the payment of net proceeds, prizes,

commissions to retailers, administrative expenses and all other expenses arising out of the operation of the education lottery, subject to the limitations provided in the Oklahoma Education Lottery Act. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

The monies in the fund shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise accrue to the credit of the fund.

J. When appropriations from the Oklahoma Education Lottery Trust Fund are made to common education pursuant to the provisions of paragraph 1 of subsection E of this section, the appropriations shall be made available on a monthly basis. In addition to the provisions of subsections C and D of this section, the following process shall be used to ensure that the appropriations are made available to common education in a timely manner:

1. Beginning in July of the fiscal year in which appropriations are made to common education from the Oklahoma Education Lottery Trust Fund, the Commission, on or before the ninth day of each month, shall transfer to the State Treasurer, for credit to the Oklahoma Education Lottery Trust Fund, the amount of net proceeds accruing during the preceding month equal to the amount of total monthly collections due to common education as required by paragraph 1 of subsection E of this section;

2. The Director of the Office of Management and Enterprise Services shall allocate the transfers provided for in paragraph 1 of this subsection to the State Department of Education on a monthly basis, not to exceed one-twelfth (1/12) of the annual apportionment for the fiscal year; and

3. The total amount of transfers to the Oklahoma Education Lottery Trust Fund of net lottery proceeds made pursuant to this subsection shall not exceed the total appropriations made to common education from the Oklahoma Education Lottery Trust Fund for the specific fiscal year.

K. When appropriations from the Oklahoma Education Lottery Trust Fund are made to The Oklahoma State System of Higher Education, the appropriations shall be made available to the System on a monthly basis. In addition to the provisions of subsections C and D of this section, the following process shall be used to ensure that the appropriations are made available to The Oklahoma State System of Higher Education in a timely manner:

1. Beginning in July of the fiscal year in which appropriations are made to The Oklahoma State System of Higher Education from the Oklahoma Education Lottery Trust Fund, the Commission, on or before the ninth day of each month, shall transfer to the State Treasurer,

for credit to the Oklahoma Education Lottery Trust Fund, the amount of net proceeds accruing during the preceding month equal to the amount of total monthly collections due to the Oklahoma State Regents for Higher Education as required by paragraph 2 of subsection E of this section;

2. The Director of the Office of Management and Enterprise Services shall allocate the transfers provided for in paragraph 1 of this subsection to the Oklahoma State Regents for Higher Education on a monthly basis, not to exceed one-twelfth (1/12) of the annual apportionment for the fiscal year; and

3. The total amount of transfers to the Oklahoma Education Lottery Trust Fund of net lottery proceeds made pursuant to this subsection shall not exceed the total appropriations made to The Oklahoma State System for Higher Education from the Oklahoma Education Lottery Trust Fund for the specific fiscal year.

Added by Laws 2003, c. 58, § 14. Amended by Laws 2005, c. 218, § 13, emerg. eff. May 24, 2005; Laws 2007, c. 336, § 1, eff. July 1, 2007; Laws 2008, c. 3, § 3, emerg. eff. Feb. 28, 2008; Laws 2008, c. 389, § 1, eff. July 1, 2008; Laws 2012, c. 304, § 27; Laws 2017, c. 178, § 1; Laws 2019, c. 455, § 1, eff. July 1, 2019.

NOTE: State Question No. 705, Legislative Referendum No. 330, proposing enactment of this section by Laws 2003, c. 58, § 14, was adopted at election held on Nov. 2, 2004.

NOTE: Laws 2007, c. 355, § 3 repealed by Laws 2008, c. 3, § 4, emerg. eff. Feb. 28, 2008.

§3A-713.1. Repealed by Laws 2019, c. 455, § 2, eff. July 1, 2019.

§3A-714. Encouragement of minority business participation.

It is the intent of the people of this state that the Oklahoma Lottery Commission encourage minority businesses to participate in contracts with the Commission. Accordingly, the board of trustees of the Oklahoma Lottery Commission shall adopt a plan which achieves to the greatest extent possible a level of participation by minority businesses taking into account the total number of all retailers and vendors, including any subcontractors. The Commission shall undertake training programs and other educational activities to enable minority businesses to compete for contracts on an equal basis. The board shall monitor the results of minority business participation and shall report the results of minority business participation to the Governor and the Legislature at least on an annual basis.

Added by Laws 2003, c. 58, § 15, adopted at election held on Nov. 2, 2004.

§3A-715. Submission of bids, proposals, or offers - Investigation of vendors - Disclosures - Restrictions on entry into contracts - Gifts, loans, etc.

A. The Oklahoma Lottery Commission shall investigate the financial responsibility, security, and integrity of any lottery system vendor who is a finalist in submitting a bid, proposal, or offer as part of a major procurement. At the time of submitting such bid, proposal, or offer to the Commission, the Commission may require the following items:

1. A disclosure of the name and address of the vendor and, as applicable, the names and addresses of the following:
 - a. if the vendor is a corporation, the officers, directors, and each stockholder of the corporation. In the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of such securities need be disclosed,
 - b. if the vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust,
 - c. if the vendor is an association, the members, officers, and directors, and
 - d. if the vendor is a partnership, limited liability company or joint venture, all of the general partners, limited partners, members or joint venturers;
2. A disclosure of all the states and jurisdictions in which the vendor does business and the nature of the business for each such state or jurisdiction;
3. A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including, but not limited to, lottery goods and services, and the nature of the goods or services involved for each such state or jurisdiction;
4. A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the license, contract, or operation of the vendor and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive such a license shall be disclosed;
5. A disclosure of the details of any finding, conviction, or adjudication of guilt of the vendor, or a person named pursuant to the provisions of paragraph 1 of this subsection with respect to such vendor, in a state or federal court for any felony or any other

criminal offense other than a traffic violation. If the vendor, or a person named pursuant to the provisions of paragraph 1 of this subsection with respect to such vendor, is awaiting sentencing on a plea of guilt or nolo contendere to a felony or any other criminal offense other than a traffic violation, disclosure of the details of any such plea shall also be made pursuant to the provisions of this paragraph;

6. A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including bonded indebtedness, or any pending litigation of the vendor, or a person named pursuant to the provisions of paragraph 1 of this subsection with respect to such vendor; and

7. Such additional disclosures and information as the Commission may determine to be appropriate for the procurement involved.

All disclosures provided by this section shall be furnished to the Oklahoma State Bureau of Investigation at least fourteen (14) days prior to the awarding of the contract and any analysis of the disclosures provided by the Oklahoma State Bureau of Investigation shall be considered by the Commission.

If at least twenty-five percent (25%) of the cost of the contract of a vendor is subcontracted, the vendor shall disclose all of the information required by this subsection for the subcontractor as if the subcontractor were itself a vendor.

B. A lottery procurement contract shall not be entered into with any lottery system vendor who has not complied with the disclosure requirements described in subsection A of this section, and any contract with such a vendor is voidable at the option of the Commission. Any contract with a vendor who does not comply with the requirements for periodically updating the disclosures during the tenure of contract as may be specified in the contract may be terminated by the Commission. The provisions of this section shall be construed broadly and liberally to achieve the ends of full disclosure of all information necessary to allow for a full and complete evaluation by the Commission of the competence, integrity, background, and character of vendors for major procurements.

C. A major procurement contract shall not be entered into with any vendor if the vendor or a person associated with the vendor named pursuant to the provisions of paragraph 1 of subsection A of this section has been found guilty of a felony related to the security or integrity of the lottery in this or any other jurisdiction, or is awaiting sentencing on a plea of guilt or nolo contendere to the same type of felony.

D. A major procurement contract shall not be entered into with any vendor that has an ownership interest in an entity that had supplied consultation services under contract to the Commission

regarding the request for proposals pertaining to those particular goods or services.

E. No lottery system vendor nor any applicant for a major procurement contract may pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, to the executive director, any member of the board of trustees of the Oklahoma Lottery Commission, or any employee of the Commission, or to any person related to any such person within the third degree of consanguinity or affinity.

Added by Laws 2003, c. 58, § 16, adopted at election held on Nov. 2, 2004.

§3A-716. Performance bond, letter of credit or securities -
Competitive bidding.

A. Each vendor shall, at the execution of the contract with the Oklahoma Lottery Commission, post a performance bond or letter of credit from a bank or credit provider acceptable to the Commission in an amount as deemed necessary by the Commission for that particular bid or contract. In lieu of the bond, a vendor may, to assure the faithful performance of its obligations, deposit and maintain with the Commission securities that are interest bearing or accruing and that are rated in one of the three highest classifications by an established nationally recognized investment rating service.

Securities eligible under this subsection are limited to:

1. Certificates of deposit issued by solvent banks or savings associations approved by the Commission and which are organized and existing under the laws of this state or under the laws of the United States;

2. United States bonds, notes, and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

3. Corporate bonds approved by the State Treasurer. The corporation which issued the bonds shall not be an affiliate or subsidiary of the depositor.

The securities shall be held in trust and shall have at all times a market value at least equal to the full amount estimated to be paid annually to the lottery vendor under contract.

B. Each vendor shall be qualified to do business in this state and shall file appropriate tax returns as provided by the laws of this state. All contracts under this section shall be governed by the laws of this state.

C. No contract shall be let with any vendor in which a state elected official has a substantial financial interest. A substantial financial interest includes, but is not limited to, an ownership interest of five percent (5%) or more in a business enterprise.

D. All major procurement contracts must be competitively bid pursuant to the Oklahoma Central Purchasing Act. On all such

contracts, the Director of Central Purchasing shall cooperate with the Commission in the drafting of bid specifications and the selection of vendors to allow the selection of vendors that provide the greatest long-term benefit to the state, the greatest integrity for the Commission, and the best service and products for the public. Added by Laws 2003, c. 58, § 17, adopted at election held on Nov. 2, 2004.

§3A-717. Statewide network of lottery retailers - Compensation - Criteria for qualification.

A. The people of this state recognize that to conduct a successful lottery, the Oklahoma Lottery Commission must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets or shares and the playing of lottery games while ensuring the integrity of the lottery operations, games, and activities.

B. The Commission shall make every effort to provide small retailers a chance to participate in the sales of lottery tickets or shares.

C. The Commission shall provide for compensation to lottery retailers in the form of commissions in an amount of not less than two percent (2%) of gross sales and may provide for other forms of compensation for services rendered in the sale or cashing of lottery tickets or shares.

D. The Commission shall issue a certificate of authority to each person with whom it contracts as a retailer for purposes of display for each location at which tickets or shares are offered for sale. Every lottery retailer shall post and keep conspicuously displayed in a location on the premises accessible to the public its certificate of authority. No certificate of authority shall be assignable or transferable.

E. The board of trustees of the Oklahoma Lottery Commission shall develop a list of objective criteria upon which the qualification of lottery retailers shall be based. Separate criteria shall be developed to govern the selection of retailers of instant tickets. In developing these criteria, the board shall consider such factors as the financial responsibility of the applicant, security of the place of business or activity of the applicant, accessibility to the public, integrity, and reputation. The board shall not consider political affiliation, activities, or contributions to political committees or candidates for any public office. The criteria shall include, but not be limited to, the following:

1. The applicant shall be current in filing all applicable tax returns to the State of Oklahoma and in payment of all taxes, interest, and penalties owed to the State of Oklahoma, excluding items under formal appeal pursuant to applicable statutes. An applicant who has entered into and is abiding by a payment agreement

with the Oklahoma Tax Commission shall be deemed current in payment of such taxes, penalties and interest. Notwithstanding the provisions of Section 205 of Title 68 of the Oklahoma Statutes, the Oklahoma Tax Commission shall provide this information to the Commission;

2. No person, partnership, unincorporated association, corporation, or other business entity or principal, officer or director of a corporation or other business entity shall be selected as a lottery retailer who:

- a. has been convicted of or is awaiting sentencing on a plea of guilt or nolo contendere to a criminal offense related to the security or integrity of the lottery in this or any other jurisdiction,
- b. has been convicted of or is awaiting sentencing on a plea of guilt or nolo contendere to any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction or convicted of or is awaiting sentencing on a plea of guilt or nolo contendere to any crime punishable by more than one (1) year of imprisonment or a fine of more than One Thousand Dollars (\$1,000.00) or both, unless the civil rights of the person have been restored and at least five (5) years have elapsed from the date of the completion of the sentence without a subsequent conviction of a crime described in this subparagraph,
- c. has been found to have violated the provisions of the Oklahoma Education Lottery Act or any rule, policy, or procedure of the Commission unless either ten (10) years have passed since the violation or the board finds the violation both minor and unintentional in nature,
- d. is a vendor or any employee or agent of any vendor doing business with the Commission,
- e. resides in the same household as the executive director, any board member, or any employee of the Commission,
- f. has made a statement of material fact to the Commission knowing such statement to be false, or
- g. is engaged exclusively in the business of selling lottery tickets or shares. This subparagraph shall not preclude the Commission from selling or giving away lottery tickets or shares for promotional purposes;

3. Persons applying to become lottery retailers shall be charged a uniform application fee for each lottery outlet;

4. Any lottery retailer contract executed pursuant to this section may, for good cause, be suspended, revoked, or terminated by the executive director or designee if the retailer is found to have

violated any provisions of the Oklahoma Education Lottery Act or objective criteria established by the board. Review of such activities shall be in accordance with the procedures outlined in the Oklahoma Education Lottery Act and shall not be subject to the Administrative Procedures Act; and

5. All lottery retailer contracts may be renewable annually in the discretion of the Commission unless sooner canceled or terminated.

F. No certificate of authority to act as a lottery retailer shall be issued to any applicant doing business or who holds a license to do business as a pawnbroker, supervised lender, or deferred deposit lender, also known as a payday lender, or whose primary business is categorized as a check casher.

G. No lottery retailer or applicant to be a lottery retailer shall pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, to the executive director, any board member, or any employee of the Commission, or to any person related to any such person within the third degree of consanguinity or affinity.

Added by Laws 2003, c. 58, § 18. Amended by Laws 2006, c. 153, § 1, emerg. eff. May 15, 2006.

§3A-718. Transfer or assignment of contract - Restriction on sale of tickets and shares.

A. No lottery retailer contract shall be transferable or assignable. No lottery retailer shall contract with any person for lottery goods or services except with the approval of the board of trustees of the Oklahoma Lottery Commission.

B. Lottery tickets and shares shall only be sold by the retailer stated on the lottery retailer certificate.

Added by Laws 2003, c. 58, § 19, adopted at election held on Nov. 2, 2004.

§3A-719. Fidelity Revolving Fund - Payment of claims - Reserve account - Posting of bond or deposit of securities by retailers.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Lottery Commission to be designated the "Fidelity Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Commission as provided in this section. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment. The Commission shall assess each retailer an annual fee not to exceed One Hundred Dollars (\$100.00) per sales location, to be deposited to the Fidelity Revolving Fund. The monies in the fund

shall be invested by the State Treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise accrue to the credit of the fund. Monies deposited to the fund shall be used to contract with the Oklahoma State Bureau of Investigation and the State Auditor and Inspector for the investigations, reviews and audits provided for herein. Any full-time employees retained by the Oklahoma State Bureau of Investigation or the State Auditor and Inspector for the purpose of performing duties pursuant to such contracts shall not be counted against any limits on full-time employees for such agencies. Monies deposited to the fund may also be used to cover losses the Commission experiences due to nonfeasance, misfeasance, or malfeasance of a lottery retailer. In addition, the funds may be used to purchase blanket bonds covering the Commission against losses from all retailers. At the end of each fiscal year, the Commission shall pay to the Oklahoma Education Lottery Trust Fund any amount in the Fidelity Revolving Fund which exceeds the budgeted expenses from the fund for the next fiscal year plus Five Hundred Thousand Dollars (\$500,000.00), and such funds shall be commingled with and treated as net proceeds from the lottery.

B. A reserve account may be established as a general operating expense to cover amounts deemed uncollectible. The Commission shall establish procedures for minimizing any losses that may be experienced for the foregoing reason and shall exercise and exhaust all available options in such procedures prior to amounts being written off to this account.

C. Except as otherwise provided in subsection D of this section, the Commission shall require all retailers to post an appropriate bond, as determined by the Commission, using an insurance company acceptable to the Commission.

D. 1. In its discretion, in lieu of the bond required in subsection C of this section, the Commission may allow a retailer to deposit and maintain with the Commission securities that are interest bearing or accruing. Securities eligible under this paragraph shall be limited to:

- a. certificates of deposit issued by solvent banks or savings associations organized and existing under the laws of this state or under the laws of the United States,
- b. United States bonds, notes, and bills for which the full faith and credit of the United States is pledged for the payment of principal and interest, and
- c. federal agency securities issued by an agency or instrumentality of the United States government.

2. The securities shall be held in trust in the name of the Oklahoma Lottery Commission.

Added by Laws 2003, c. 58, § 20, adopted at election held on Nov. 2, 2004. Amended by Laws 2012, c. 304, § 28.

§3A-720. Cancellation, suspension, revocation, denial, rejection of renewal, or termination of contract - Temporary suspension.

A. Any retail contract executed by the Oklahoma Lottery Commission pursuant to the Oklahoma Education Lottery Act shall specify the reasons for which a contract may be canceled, suspended, revoked, or terminated by the Commission, which reasons shall include but not be limited to:

1. Commission of a violation of the Oklahoma Education Lottery Act, a rule, or a policy or procedure of the Commission;
2. Failure to accurately or timely account for lottery tickets, lottery games, revenues, or prizes as required by the Commission;
3. Commission of any fraud, deceit, or misrepresentation;
4. Insufficient sales;
5. Conduct prejudicial to public confidence in the lottery;
6. The retailer filing for or being placed in bankruptcy or receivership;
7. Any material change in any matter considered by the Commission in executing the contract with the retailer, as determined in the sole discretion of the Commission; or
8. Failure to meet any of the objective criteria established by the Commission pursuant to the Oklahoma Education Lottery Act.

B. If, in the discretion of the executive director or designee, cancellation, denial, revocation, suspension, or rejection of renewal of a lottery retailer contract is in the best interest of the lottery, the public welfare, or the State of Oklahoma, the executive director or designee may cancel, suspend, revoke, or terminate, after notice and a right to a hearing, any contract issued pursuant to the Oklahoma Education Lottery Act. A contract may be temporarily suspended by the executive director or designee without prior notice pending any prosecution, hearing, or investigation, whether by a third party or by the executive director. A contract may be suspended, revoked, or terminated by the executive director or designee for any one or more of the reasons enumerated in this section. Any hearing held shall be conducted by the executive director or designee. A party to the contract aggrieved by the decision of the executive director or designee may appeal the adverse decision to the board of trustees of the Oklahoma Lottery Commission. The appeal shall be pursuant to the rules set by the board and is not subject to Article II of the Administrative Procedures Act.

Added by Laws 2003, c. 58, § 21, adopted at election held on Nov. 2, 2004.

§3A-721. Personal liability for proceeds - Deposit requirements - Insolvency.

A. All proceeds from the sale of the lottery tickets or shares shall constitute a trust fund until paid to the Oklahoma Lottery Commission either directly or through the authorized collection representative of the Commission. A lottery retailer and officers of the business of a lottery retailer shall have a fiduciary duty to preserve and account for lottery proceeds, and lottery retailers shall be personally liable for all proceeds. Proceeds shall include unsold instant tickets received by a lottery retailer and cash proceeds of the sale of any lottery products, net of allowable sales commissions and credit for lottery prizes, sold to or paid to winners by lottery retailers. Sales proceeds and unused instant tickets shall be delivered to the Commission or its authorized collection representative upon demand.

B. All lottery proceeds due to the Commission shall be considered state funds. The Commission shall require retailers to place all lottery proceeds due the Commission in accounts in institutions insured by the Federal Deposit Insurance Corporation not later than the close of the next banking day after the date of their collection by the retailer until the date they are paid over to the Commission. At the time of the deposit, lottery proceeds shall be deemed to be the property of the Commission. The Commission may require a retailer to establish a single separate electronic funds transfer account, where available, for the purpose of receiving monies from ticket or share sales, making payments to the Commission, and receiving payments for the Commission. Unless otherwise authorized in writing by the Commission, each lottery retailer shall establish a separate bank account for lottery proceeds which shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets.

C. Whenever a person who receives proceeds from the sale of lottery tickets or shares in the capacity of a lottery retailer becomes insolvent or dies insolvent, the proceeds in any account established pursuant to the provisions of subsection B of this section due to the Commission from the person or the estate of the person shall have preference over all debts or demands.
Added by Laws 2003, c. 58, § 22, adopted at election held on Nov. 2, 2004.

§3A-722. Computation of rental payments for retailer business premises - Percentage of retail sales.

If the rental payments for the business premises of a lottery retailer are contractually computed, in whole or in part, on the basis of a percentage of retail sales and such computation of retail sales is not explicitly defined to include sales of tickets or shares in a state-operated or state-managed lottery, only the compensation received by the lottery retailer from the Oklahoma Lottery Commission

may be considered the amount of the lottery retail sale for purposes of computing the rental payment.
Added by Laws 2003, c. 58, § 23, adopted at election held on Nov. 2, 2004.

§3A-723. Prices of tickets or shares - Restrictions on sales.

A. No person shall sell a ticket or share at a price other than established by the Oklahoma Lottery Commission unless authorized in writing by the executive director. No person other than a duly certified lottery retailer shall sell lottery tickets or shares. This subsection shall not be construed to prevent a person who may lawfully purchase tickets or shares from making a gift of lottery tickets or shares to another. Nothing in the Oklahoma Education Lottery Act shall be construed to prohibit the Commission from designating certain of its agents and employees to sell or give lottery tickets or shares directly to the public.

B. Lottery tickets or shares may be given by retailers as a means of promoting goods or services to customers or prospective customers eighteen (18) years of age or older subject to prior approval by the Commission.

C. No lottery retailer shall sell a lottery ticket or share except from the locations listed in the contract of the retailer and as evidenced by the certificate of authorization unless the Commission authorizes in writing any temporary location not listed in the contract.

D. No lottery tickets or shares shall be sold or given to persons under eighteen (18) years of age, and no prize or any portion of a prize shall be paid upon any ticket that was purchased by a person under eighteen (18) years of age.

Added by Laws 2003, c. 58, § 24, adopted at election held on Nov. 2, 2004.

§3A-723.1. Authorized purchase of lottery tickets by officers and employees.

Officers and employees whose duties require participation in investigations conducted by the Oklahoma Lottery Commission may purchase lottery tickets only when such actions are part of an official lottery investigation that is approved in advance by the Executive Director or their designee. No ticket purchased may be shared or assigned in any manner to an otherwise eligible participant. The officer or employee authorized to purchase a ticket pursuant to this section shall not retain any prize or winnings that may result from the winning ticket nor have a right to any prize or winnings. As such, no resulting prize shall be assignable pursuant to paragraph 1 of subsection C of Section 724 of Title 3A of the Oklahoma Statutes.

Added by Laws 2018, c. 70, § 1, eff. Nov. 1, 2018.

§3A-724. Prizes - Verification of validity of tickets or shares - Unclaimed prize monies.

A. Proceeds of any lottery prize shall be subject to the Oklahoma state income tax.

B. Attachments, garnishments, or executions authorized and issued pursuant to law shall be withheld if timely served upon the Oklahoma Lottery Commission. This subsection shall not apply to payment of prizes by a retailer.

C. The Commission shall adopt policies and procedures to establish a system of verifying the validity of tickets or shares claimed to win prizes and to effect payment of the prizes, except that:

1. No prize, any portion of a prize, or any right of any person to a prize awarded shall be assignable. Any prize or any portion of a prize remaining unpaid at the death of a prize winner shall be paid to the estate of the deceased prize winner or to the trustee of a trust established by the deceased prize winner as settlor if a copy of the trust document or instrument has been filed with the Commission along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the Commission prior to the death of the settlor. Following the death of a settlor and prior to any payment to a successor trustee, the Commission shall obtain from the trustee a written agreement to indemnify and hold the Commission harmless with respect to any claims that may be asserted against the Commission arising from payment to or through the trust. Notwithstanding any other provisions of this section, any person, pursuant to an appropriate judicial order, shall be paid the prize to which a winner is entitled;

2. No prize shall be paid arising from claimed tickets that are:
- a. stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received, or not recorded by the Commission within applicable deadlines,
 - b. lacking in captions that conform and agree with the play symbols as appropriate to the particular lottery game involved, or
 - c. not in compliance with such additional public or confidential validation and security tests of the Commission appropriate to the particular lottery game involved;

3. No particular prize in any lottery game shall be paid more than once, and in the event of a determination that more than one claimant is entitled to a particular prize, the sole remedy of the claimants is the award to each of them of an equal share in the prize;

4. A holder of a winning cash ticket or share from a lottery game shall claim a cash prize within one hundred eighty (180) days, or for a multistate or multisoovereign lottery game within one hundred eighty (180) days, after the drawing in which the cash prize was won. In any Oklahoma lottery game in which the player may determine instantly if the player has won or lost, the player shall claim a cash prize within ninety (90) days, or for a multistate lottery game within one hundred eighty (180) days, after the end of the lottery game. If a valid claim is not made for a cash prize within the applicable period, the cash prize shall constitute an unclaimed prize for purposes of the Oklahoma Education Lottery Act;

5. Any person or persons claiming a lottery prize exceeding Six Hundred Dollars (\$600.00) shall provide the Commission with their name, address, social security number, and sufficient valid identification as proof of the same prior to payment of the prize by the Commission; and

6. Any person or persons claiming a lottery prize exceeding Six Hundred Dollars (\$600.00) as a trust shall provide for each person entitled to any portion of the prize their name, address, social security number, and sufficient valid identification as proof of the same prior to payment of the prize by the Commission except that such information specified in this paragraph shall be confidential and not subject to the provisions of the Oklahoma Open Records Act.

D. No prize shall be paid upon a ticket or share purchased or sold in violation of the Oklahoma Education Lottery Act. Any such prize shall constitute an unclaimed prize for purposes of the Oklahoma Education Lottery Act.

E. The Commission is discharged of all liability upon payment of a prize.

F. No ticket or share shall be purchased by and no prize shall be paid to any member of the board of trustees of the Oklahoma Lottery Commission, any officer or employee of the Commission, or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any such person. No ticket or share shall be purchased by and no prize shall be paid to any officer, employee, agent, or subcontractor of any vendor or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any such person if the officer, employee, agent, or subcontractor has access to confidential information which may compromise the integrity of the lottery.

G. Unclaimed prize money shall not constitute net lottery proceeds. The first Seven Hundred Fifty Thousand Dollars (\$750,000.00) of unclaimed prize money accruing annually shall be transferred to the Department of Mental Health and Substance Abuse Services for the treatment of compulsive gambling disorder and educational programs related to such disorder. All other unclaimed

prize money shall be added to the pool from which future prizes are to be awarded or used for special prize promotions. Added by Laws 2003, c. 58, § 25. Amended by Laws 2005, c. 365, § 1, emerg. eff. June 6, 2005; Laws 2007, c. 336, § 2, eff. July 1, 2007; Laws 2013, c. 161, § 1, eff. July 1, 2013.

§3A-724.1. Prize withholding - Delinquent debt to Department of Human Services.

A. The Oklahoma Lottery Commission shall withhold the amount of delinquent debt as established by the Department of Human Services from the lottery prize monies won by an individual pursuant to Section 710 of Title 3A of the Oklahoma Statutes.

B. The Oklahoma Lottery Commission shall pay the monies withheld from the lottery prize, as provided in subsection A of this section, to the Oklahoma Department of Human Services, not to exceed the amount of debt established by the Oklahoma Department of Human Services.

C. The Commission for Human Services shall promulgate rules to define the debts that will be submitted to the Oklahoma Lottery Commission for withholding.

D. The Commission for Human Services shall develop procedures for notifying the Oklahoma Lottery Commission of the debts that should be processed for withholding. The information on debt withholding will be reported to the Oklahoma Lottery Commission on a periodic basis and should include, but not be limited to:

1. Identification of the individuals who have been determined to be delinquent in the repayment of debt established by the Oklahoma Department of Human Services; and

2. The amounts of debt to be withheld by the Oklahoma Lottery Commission.

E. The Oklahoma Lottery Commission shall provide a report to the Oklahoma Department of Human Services upon withholding that includes, but is not limited to, the following information:

1. Identification of the individuals who have had monies withheld; and

2. The amount of monies that will be paid to the Oklahoma Department of Human Services to be applied to the established debt. Added by Laws 2005, c. 99, § 2, emerg. eff. April 25, 2005.

§3A-724.2. Prize withholding - Delinquent debt to Tax Commission.

A. The Oklahoma Lottery Commission shall withhold the amount of delinquent debt as established by the Oklahoma Tax Commission from the lottery prize monies won by an individual pursuant to Section 710 of Title 3A of the Oklahoma Statutes.

B. The Oklahoma Lottery Commission shall pay the monies withheld from the lottery prize, as provided in subsection A of this section,

to the Oklahoma Tax Commission, not to exceed the amount of debt established by the Oklahoma Tax Commission.

C. The Oklahoma Tax Commission shall promulgate rules to define the debts that will be submitted to the Oklahoma Lottery Commission for withholding.

D. The Oklahoma Tax Commission shall develop procedures for timely notifying the Oklahoma Lottery Commission of the debts that should be processed for withholding. The information on debt withholding will be reported to the Oklahoma Lottery Commission on a periodic basis and should include, but not be limited to:

1. Identification of the persons who have been determined to be delinquent in the repayment of debt established by the Oklahoma Tax Commission; and

2. The amounts of debt to be withheld by the Oklahoma Lottery Commission.

E. The Oklahoma Lottery Commission shall provide a report to the Oklahoma Tax Commission upon withholding that includes, but is not limited to, the following information:

1. Identification of the persons who have had monies withheld; and

2. The amount of monies that will be paid to the Oklahoma Tax Commission to be applied to the established debt.

Added by Laws 2007, c. 336, § 3, eff. July 1, 2007.

§3A-724.3. Withholding delinquent debt - Payment - Promulgation of rules.

A. The Oklahoma Lottery Commission shall withhold the amount of delinquent debt as established by the Oklahoma Employment Security Commission from the lottery prize monies won by an individual pursuant to Section 710 of Title 3A of the Oklahoma Statutes.

B. The Oklahoma Lottery Commission shall pay the monies withheld from the lottery prize, as provided in subsection A of this section, to the Oklahoma Employment Security Commission, not to exceed the amount of debt established by the Oklahoma Employment Security Commission.

C. The Oklahoma Employment Security Commission shall promulgate rules to define the debts that will be submitted to the Oklahoma Lottery Commission for withholding.

D. The Oklahoma Employment Security Commission shall develop procedures for timely notifying the Oklahoma Lottery Commission of the debts that should be processed for withholding. The information on debt withholding shall be reported to the Oklahoma Lottery Commission on a periodic basis and should include, but not be limited to:

1. Identification of the persons who have been determined to be delinquent in the repayment of debt established by the Oklahoma Employment Security Commission; and

2. The amounts of debt to be withheld by the Oklahoma Lottery Commission.

E. The Oklahoma Lottery Commission shall provide a report to the Oklahoma Employment Security Commission upon withholding that includes, but is not limited to, the following information:

1. Identification of the persons who have had monies withheld; and

2. The amount of monies that shall be paid to the Oklahoma Employment Security Commission to be applied to the established debt. Added by Laws 2007, c. 336, § 4, eff. July 1, 2007. Amended by Laws 2010, c. 214, § 1, eff. July 1, 2010.

§3A-724.4. Priority of delinquent debt withholding.

If the total withholdings from lottery prizes required by Oklahoma law exceed the amount of the prize remaining after deduction of the required state and federal income tax withholdings, the withholdings shall be made in the following order:

1. Withholdings to the Department of Human Services pursuant to Section 724.1 of Title 3A of the Oklahoma Statutes;

2. Withholdings to the Oklahoma Tax Commission pursuant to Section 724.2 of Title 3A of the Oklahoma Statutes; and

3. Withholdings to the Oklahoma Employment Security Commission pursuant to Section 1 of this act.

Added by Laws 2010, c. 214, § 2, eff. July 1, 2010.

§3A-724.5. Web application for lottery-sponsored and second-chance promotions.

A. Entries submitted by lottery players to the Oklahoma Lottery Commission for lottery-sponsored promotions and second-chance drawing promotions offered by the Commission may be submitted using a web application provided or sponsored by the Commission. All entries for lottery-sponsored promotions and second-chance drawing promotions shall be legally obtained from the Commission in one of the following ways:

1. Purchase of lottery tickets from the Commission or a lottery retailer;

2. Receipt of an entry-eligible lottery ticket from the Commission or from a lottery retailer; or

3. Receipt of a promotional entry from the Commission or a lottery retailer.

B. The process to submit entries to lottery-sponsored promotions and second-chance drawing promotions provided by subsection A of this section shall not be construed as illegal Internet gambling activities. If passage of this section of law is deemed by a court of law to allow any other form of Internet gambling activities in the state, then this section of law shall be rendered null and void.

Added by Laws 2018, c. 125, § 1, eff. Nov. 1, 2018.

§3A-725. Confidentiality and disclosure - Criminal background investigations - Inspection of facilities - Cooperation with law enforcement agencies.

A. Except as authorized in the Oklahoma Education Lottery Act, the Oklahoma Lottery Commission is subject to the provisions of the Oklahoma Open Records Act. The Commission may determine which information relating to the operation of the lottery is confidential as provided in the Oklahoma Open Records Act. Such information includes trade secrets, security measures, systems, or procedures, security reports, information concerning bids or other contractual data, the disclosure of which would impair the efforts of the Commission to contract for goods or services on favorable terms, employee personnel information unrelated to compensation, duties, qualifications, or responsibilities, and information obtained pursuant to investigations which is otherwise confidential. Information deemed confidential pursuant to this section is exempt from the provisions of the Oklahoma Open Records Act, but the Attorney General may review any such determination by the Commission and require the disclosure of the information if the Attorney General determines that the Commission has not established that the information should be deemed confidential pursuant to the provisions of this subsection. Meetings or portions of meetings devoted to discussing information deemed confidential pursuant to this section may be held in executive session pursuant to the Oklahoma Open Meeting Act.

B. Full criminal background investigations of vendors shall be conducted prior to the execution of any major procurement contract, including investigation of principal, officer or director of a corporation or other business entity. The Commission shall pay for the actual cost of the investigations and shall contract with the Oklahoma State Bureau of Investigation for the performance of the investigations.

C. The Commission or its authorized agent shall:

1. Conduct criminal background investigations and credit investigations on all potential retailers, including investigation of principal, officer or director of a corporation or other business entity;
2. Supervise ticket or share validation and lottery drawings;
3. Inspect at times determined solely by the Commission the facilities of any vendor or lottery retailer in order to determine the integrity of the product of the vendor or the operations of the retailer in order to determine whether the vendor or the retailer is in compliance with its contract;
4. Report any suspected violations of the Oklahoma Education Lottery Act to the appropriate district attorney or the Attorney

General and to any law enforcement agencies having jurisdiction over the violation; and

5. Upon request, provide assistance to any district attorney, the Attorney General, the State Auditor and Inspector or a law enforcement agency investigating a violation of the Oklahoma Education Lottery Act which shall include, but not be limited to, immediate and unfettered access to any books, records, contracts, funds, or files, regardless of format. Refusal to provide such access shall constitute obstruction of justice.

Added by Laws 2003, c. 58, § 26, adopted at election held on Nov. 2, 2004.

§3A-726. Sale of ticket or share to person under 18 - Penalty.

Any person who sells a lottery ticket or share to a person under eighteen (18) years of age or permits a person under eighteen (18) years of age to play any lottery games shall, upon conviction, be guilty of a misdemeanor and shall be fined not less than One Hundred Dollars (\$100.00) nor more than Five Hundred Dollars (\$500.00) for the first offense and for each subsequent offense not less than Two Hundred Dollars (\$200.00) nor more than One Thousand Dollars (\$1,000.00) and imprisonment for up to one (1) year in the county jail.

Added by Laws 2003, c. 58, § 27, adopted at election held on Nov. 2, 2004.

§3A-727. Fraudulent alteration of ticket - Coercion or tampering with equipment to influence winning of prize - Penalty.

A. Any person who, with intent to defraud, falsely makes, alters, forges, utters, passes, or counterfeits a state lottery ticket shall, upon conviction, be punished by a fine not to exceed Fifty Thousand Dollars (\$50,000.00), by imprisonment for not longer than five (5) years, or by both such fine and imprisonment.

B. Any person who influences or attempts to influence the winning of a prize through the use of coercion, fraud, deception, or tampering with lottery equipment or materials shall, upon conviction, be punished by a fine not to exceed Fifty Thousand Dollars (\$50,000.00), by imprisonment for not longer than five (5) years, or by both such fine and imprisonment.

Added by Laws 2003, c. 58, § 28, adopted at election held on Nov. 2, 2004.

§3A-728. False statement in application for license or proposal - Penalty.

No person shall knowingly or intentionally make a material false statement in any application for a license or proposal to conduct lottery activities or make a material false entry in any book or record which is compiled or maintained or submitted to the board of

trustees of the Oklahoma Lottery Commission pursuant to the provisions of the Oklahoma Education Lottery Act. Any person who violates the provisions of this section shall, upon conviction, be punished by a fine not to exceed Twenty-five Thousand Dollars (\$25,000.00) or the dollar amount of the false entry or statement, whichever is greater, by imprisonment for not longer than five (5) years, or by both such fine and imprisonment.
Added by Laws 2003, c. 58, § 29, adopted at election held on Nov. 2, 2004.

§3A-729. Intelligence - Sharing agreements with federal government and other agencies - Disclosure.

A. The Oklahoma Lottery Commission may enter into intelligence-sharing, reciprocal use, or restricted use agreements with the federal government, law enforcement agencies, lottery regulation agencies, and gaming enforcement agencies of other jurisdictions which provide for and regulate the use of information provided and received pursuant to the agreement.

B. Records, documents, and information in the possession of the Commission received pursuant to an intelligence-sharing, reciprocal use, or restricted use agreement entered into by the Commission with a federal department or agency, any law enforcement agency, or the lottery regulation or gaming enforcement agency of any jurisdiction shall be considered investigative records of a law enforcement agency and are not subject to the Oklahoma Open Records Act and shall not be released under any condition without the permission of the person or agency providing the record or information.

Added by Laws 2003, c. 58, § 30, adopted at election held on Nov. 2, 2004.

§3A-730. Appeals.

A. Any retailer, vendor, or applicant for a retailer or vendor contract aggrieved by an action of the board of trustees of the Oklahoma Lottery Commission may appeal that decision to the district court of Oklahoma County.

B. The district court of Oklahoma County shall hear appeals from decisions of the board and based upon the record of the proceedings before the board may reverse the decision of the board only if the appellant proves the decision to be:

1. Clearly erroneous;
2. Arbitrary and capricious;
3. Procured by fraud;
4. A result of substantial misconduct by the board; or
5. Contrary to the United States Constitution or the Oklahoma Constitution or the provisions of the Oklahoma Education Lottery Act.

C. The court may remand an appeal to the board to conduct further hearings.

D. Any person who appeals the award of a major procurement contract for the supply of a lottery ticket system, share system, or an on-line or other mechanical or electronic system shall be liable for all costs of appeal and defense in the event the appeal is denied or the contract award upheld. Cost of appeal and defense shall specifically include, but not be limited to, court costs, bond, legal fees, and loss of income to the Commission resulting from institution of the appeal if, upon the motion of the Commission, the court finds the appeal to have been frivolous.

Added by Laws 2003, c. 58, § 31, adopted at election held on Nov. 2, 2004.

§3A-731. Monies to be used for expenses and prizes - Purchase, lease, or lease-purchase of goods or services.

A. The Oklahoma Lottery Commission shall be self-sustaining and self-funded. Monies in the General Revenue Fund shall not be used or obligated to pay the expenses of the Commission or prizes of the lottery, and no claim for the payment of an expense of the lottery or prizes of the lottery may be made against any monies other than monies credited to the Oklahoma Education Lottery Revolving Fund.

B. The Commission may purchase, lease, or lease-purchase such goods or services as are necessary for effectuating the purposes of the Oklahoma Education Lottery Act. The Commission may make procurements which integrate functions such as lottery game design, lottery ticket distribution to retailers, supply of goods and services, and advertising. In all procurement decisions, the Commission shall take into account the particularly sensitive nature of the state lottery and shall act to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objectives of raising net proceeds for the benefit of educational programs and purposes.

Added by Laws 2003, c. 58, § 32, adopted at election held on Nov. 2, 2004.

§3A-732. Issuance of bonds or notes - Trust indentures.

A. The Oklahoma Lottery Commission is authorized to issue negotiable bonds or a promissory note in anticipation of the collection of all or any part of its revenues, not to exceed Ten Million Dollars (\$10,000,000.00) for the payment of the initial expenses of start-up, administration and operation of the Commission and the lottery. Any such debt shall be approved by the Council on Bond Oversight and shall further be approved by the Attorney General as to legal form. Any such debt shall not constitute a debt of the state and under no circumstances shall the general funds of the state be used in order to satisfy any obligation of the Commission. Any such debt shall be repaid solely from future lottery revenue and under no circumstances shall it be repaid from other state funds or

appropriations. The Commission may pledge, to the payment of the interest and principal on such bonds or notes, all or any part of the revenues derived from the operation of the lottery.

B. The bonds or notes authorized pursuant to this section shall be authorized by resolution of the Commission and may, as provided in such resolution:

1. Be issued in one or more series;
2. Bear such date or dates and may mature at such time not exceeding five (5) years from their respective dates;
3. Bear interest at such rate or rates which shall be consistent with prevailing market rates; and
4. Contain such terms, covenants and conditions as may be necessary to effectively market the bonds or place the notes as the Commission shall determine.

C. Any resolution authorizing the issuance of bonds or notes pursuant to this section may contain covenants, including, but not limited to:

1. The purpose or purposes to which the proceeds of the sale of bonds or notes may be applied, and the deposit, use and disposition thereof;
2. The use, deposit, securing of deposits and disposition of the revenues of the Commission, including the creating and maintenance of reserves; and
3. The ability to refinance or refund any of the bonds or notes issued.

D. In the discretion of the Commission, any bonds or notes issued pursuant to the provisions of this section may be secured by a trust indenture by and between the Commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the state. Any trust indenture may pledge or assign the revenues of the Commission, but shall not convey or mortgage any properties, except such revenues. Any trust indenture or any resolution providing for the issuance of the bonds or notes may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the Commission in relation to:

1. The use of funds, acquisition of property, acquisition of services and other costs, in connection with which such bonds or notes shall have been authorized; and
2. The custody, safeguarding and application of all monies.

It shall be lawful for any bank or trust company incorporated under the laws of this state, which may act as depository of the proceeds of bonds, notes or of revenues, to furnish such indemnifying bonds or to pledge such securities as may be required by the Commission. Any such trust indenture may set forth the rights and remedies of the bondholders, noteholders and of the trustee, and may

restrict the individual right of action by bondholders or noteholders as is customary in trust agreements or trust indentures securing bonds, notes and debentures of corporations. Any such trust indenture may contain such other provisions as the Commission may deem reasonable and proper for the security of the bondholders or noteholders. All expenses incurred in carrying out the provisions of any such trust indenture may be treated as a part of the cost of operation or acquisitions for which the bonds are authorized.

E. Monies received pursuant to the Oklahoma Education Lottery Act, whether as proceeds from the sale of bonds, notes or as revenues from the operations of the Commission, which have been identified for bonds or note repayment purposes, shall be deemed to be trust funds, to be held and applied solely as provided in the Oklahoma Education Lottery Act. The resolution authorizing the issuance of bonds or notes of any issue or the trust indenture securing such bonds or notes, shall provide that any officer to whom, or any bank or trust company to which, such monies shall be paid, shall act as trustee of such monies and shall hold and apply the same for the purpose hereof, subject to the requirements as the Oklahoma Education Lottery Act and such resolution or trust indenture may provide.

Added by Laws 2003, c. 58, § 33, adopted at election held on Nov. 2, 2004.

§3A-733. Reports - Records - Audits - Submission of annual operating budget.

To ensure the financial integrity of the lottery, the Oklahoma Lottery Commission through its board of trustees shall:

1. Submit quarterly and annual reports to the Governor, State Auditor and Inspector, Oklahoma State Bureau of Investigation, Attorney General, and the oversight committee created by Section 734 of this title, disclosing the total lottery revenues, prize disbursements, operating expenses, and administrative expenses of the Commission during the reporting period. The annual report shall additionally describe the organizational structure of the Commission and summarize the functions performed by each organizational division within the Commission;

2. Adopt a system of internal audits;

3. Maintain weekly or more frequent records of lottery transactions, including the distribution of tickets or shares to retailers, revenues received, claims for prizes, prizes paid, prizes forfeited, and other financial transactions of the Commission;

4. Contract with a certified public accountant or firm for an annual financial audit of the Commission. The certified public accountant or firm shall have no financial interest in any vendor with whom the Commission is under contract. The certified public accountant or firm shall present an audit report not later than seven (7) months after the end of the fiscal year. The certified public

accountant or firm shall evaluate the internal auditing controls in effect during the audit period. The cost of this annual financial audit shall be an operating expense of the Commission. The State Auditor and Inspector may at any time conduct an audit of any phase of the operations of the Commission at the expense of the Commission and shall receive a copy of the annual independent financial audit. A copy of any audit performed by the certified public accountant or firm or the State Auditor and Inspector shall be transmitted to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives, the State Auditor and Inspector, and the cochairs of the oversight committee created in Section 734 of this title;

5. Submit to the Office of Management and Enterprise Services and the State Auditor and Inspector by June 30 of each year a copy of the annual operating budget for the Commission for the next fiscal year. This annual operating budget shall be approved by the board and be on such forms as prescribed by the Office of Management and Enterprise Services; and

6. For informational purposes only, submit to the Office of Management and Enterprise Services on September 1 of each year a proposed operating budget for the Commission for the succeeding fiscal year. The budget proposal shall also be accompanied by an estimate of the net proceeds to be deposited into the Oklahoma Education Lottery Trust Fund during the succeeding fiscal year. The budget shall be on such forms as prescribed by the Office of Management and Enterprise Services.

Added by Laws 2003, c. 58, § 34, adopted at election held on Nov. 2, 2004. Amended by Laws 2012, c. 304, § 29.

§3A-734. Oklahoma Lottery Commission Legislative Oversight Committee - Report of level of participation of minority businesses.

A. There is hereby created as a joint committee of the Legislature the Oklahoma Lottery Commission Legislative Oversight Committee, to be composed of the members of the House Revenue and Taxation Committee and the Senate Finance Committee. The chairs of the committees shall serve as cochairs of the oversight committee. The oversight committee shall periodically inquire into and review the operations of the Oklahoma Lottery Commission, as well as periodically review and evaluate the success with which the Commission is accomplishing its statutory duties and functions as provided in the Oklahoma Education Lottery Act. The oversight committee may conduct any independent audit or investigation of the Commission it deems necessary.

B. The Commission shall provide the oversight committee not later than December 1 of each year with a complete report of the level of participation of minority businesses in all retail and major procurement contracts awarded by the Commission.

Added by Laws 2003, c. 58, § 35, adopted at election held on Nov. 2, 2004.

§3A-735. Operation of other forms of Class III gaming.

The enactment of a lottery in Oklahoma is game-specific and shall not be construed to allow the operation of any other form of Class III gaming, as defined by the Indian Gaming Regulatory Act, 25 U.S.C., Section 2703, under Oklahoma law unless specifically allowed by law and by a cooperative agreement with a federally recognized Indian tribe in this state. If it is ever determined by a court of binding jurisdiction, in a final unappealed decision, that the enactment and operation of a lottery in Oklahoma allows the operation of other types of Class III gaming in the State of Oklahoma, the Oklahoma Education Lottery Act shall cease to have the force and effect of law.

Added by Laws 2003, c. 58, § 36, adopted at election held on Nov. 2, 2004.