

Enrolled
Senate Bill 747

Sponsored by COMMITTEE ON BUSINESS, TRANSPORTATION AND WORKFORCE DEVELOPMENT (at the request of Oregon Horsemen's Benevolent and Protective Association)

CHAPTER

AN ACT

Relating to racing; creating new provisions; and amending ORS 462.057, 462.062, 462.127 and 462.140.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 462.

SECTION 2. (1) As used in this section, "cash voucher" means a receipt showing the amount paid into a wagering system prior to placing a wager.

(2) Every licensee who conducts a race meet for horses shall carry on the books for each race meet an account to be known as the Cash Vouchers Account showing the total amount due on outstanding cash vouchers not presented for wager or payment. The licensee may not make payments from this account except to a person who presents a valid, clearly identifiable cash voucher.

(3) All cash vouchers must be used for wagering or presented for payment within 180 days after the close of the race meet at which the cash voucher was purchased. At the expiration of the 180-day period, the holder of the cash voucher does not possess any further right in the unused amount and the voucher is void.

(4) Two hundred ten days after the close of a race meet conducted by a licensee under this chapter, an amount equal to the outstanding balance of the Cash Vouchers Account shall be paid as follows:

(a) Seventy percent to the horsemen's association having the greatest number of members entering horses in the race meets of the licensee during the 180-day period.

(b) Eighteen percent to the Oregon Thoroughbred Owners and Breeders Association, Incorporated.

(c) Twelve percent to the Oregon Quarter Horse Racing Association, Incorporated.

(5) An association receiving a payment of moneys under subsection (4) of this section shall use the moneys only for benevolent or educational purposes of the association. A licensee shall be subject to a civil penalty of not less than \$25 per day after 210 days for failure to pay moneys due to a horsemen's association in accordance with this subsection. Civil penalties under this subsection shall be imposed as provided in ORS 183.745.

(6) Notwithstanding the provisions of subsections (3) and (4) of this section, if a continuous race meet is designated by the Oregon Racing Commission, the 180-day period referred to in subsection (3) of this section shall commence after the close of the continuous race meet at the race course.

(7) Notwithstanding the provisions of subsection (3) of this section, if the 180th day prescribed therein falls upon a Saturday, Sunday or legal holiday, the holder of the cash voucher may file the voucher with the licensee on the first business day thereafter.

SECTION 3. ORS 462.057 is amended to read:

462.057. (1) A race meet licensee designated in subsection (2) of this section shall make payments as follows:

(a) License fee - \$25 per fiscal year payable to the Oregon Racing Commission.

(b) A percentage of gross mutuel wagering shall be paid to the commission as follows:

(A) If the race meet is for horses or mules - one percent.

(B) If the race meet is for greyhounds - 1.6 percent.

(c) If the race meet is for horses or mules and the average daily gross mutuel wagering during the preceding fiscal year exceeded \$150,000, a percentage of the gross mutuel wagering shall be paid as follows:

(A) To purses - such amount, subject to prior approval by the commission, as the race meet licensee and the horse owners, or mule owners if the race is for mules, may agree upon, plus an additional 0.1 percent. The additional 0.1 percent shall not become part of the regular purse account but shall be used only to supplement purses of races consisting exclusively of Oregon bred horses or mules;

(B) To the Oregon Thoroughbred **Owners and** Breeders Association, Incorporated, purse supplements for owners of Oregon bred thoroughbred horses - one percent of gross mutuel wagering on thoroughbred horse races, to be apportioned among the owners in the same ratio that each owner's purses for Oregon bred thoroughbred horses for the race meet bears to the total purses for Oregon bred thoroughbred horses for the race meet;

(C) To the [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing** Association, Incorporated, purse supplements for owners of Oregon bred [*quarterhorses*] **quarter horses** - one percent of gross mutuel wagering on [*quarterhorse*] **quarter horse** races, to be apportioned among the owners in the same ratio that each owner's purses for Oregon bred [*quarterhorses*] **quarter horses** for the race meet bears to the total purses for Oregon bred [*quarterhorses*] **quarter horses** for the race meet;

(D) To each association of horse or mule owners, trainers or breeders recognized by the commission as representing the other breeds of horses or mules not designated in subparagraphs (B) and (C) of this paragraph, purse supplements for owners of other Oregon bred horses or mules, not designated in subparagraphs (B) and (C) of this paragraph, one percent of gross mutuel wagering for races of other horses or mules, to be apportioned among the owners in the same ratio that each owner's purses for other Oregon bred horses or mules for the race meet bears to the total purses for other Oregon bred horses or mules for the race meet;

(E) Subject to prior approval of the commission, each horse or mule owners, trainers or breeders association designated in subparagraphs (B), (C) and (D) of this paragraph may use a portion of the purse supplements as operating expenses only for receipt, handling and payment of these funds; and

(F) To a special track fund to be used primarily for improving the race track facilities benefiting the horse and mule owners, trainers or breeders in the barn area - 0.2 percent. All such funds shall be retained by the licensee in a separate account from all other funds and no disbursements or transfers shall be made therefrom without prior approval of the commission. All physical improvements paid from such funds shall satisfy reasonable fire, health, quality and construction standards established or approved by the commission. Unless the commission provides otherwise, such improvements shall be made on the race course where the race meet which created the fund was held.

(d) If the race meet is for greyhounds, a percentage of the gross mutuel wagering shall be paid as follows:

(A) To a special fund to be used primarily for the development and operation of a training track and related facilities upon which to train greyhounds - 0.1 percent. All such funds shall be retained by the licensee in a separate account from all other funds and no disbursements or transfers shall be made therefrom without prior approval of the commission. All physical improvements paid from

such funds shall satisfy reasonable fire, health, quality and construction standards established or approved by the commission. Unless the commission provides otherwise, such improvements shall be made on the race course of the race meet licensee; and

(B) To the Oregon Greyhound Breeders Association, Incorporated, purse supplements for owners of Oregon bred greyhounds - 0.5 percent of gross mutuel wagering, to be apportioned among the owners, in accordance with the rules of the commission and subject to approval by the commission, in the same ratio that each owner's purses for Oregon bred greyhounds for the race meet bears to the total purses for Oregon bred greyhounds for the race meet.

(2) Licensees subject to the provisions of this section are:

(a) The Pendleton Roundup.

(b) The Eastern Oregon Livestock Fair.

(c) The Pacific International Livestock Exposition.

(d) Any county fair.

(e) All other nonprofit, fair-type associations which conducted a licensed race meet in calendar year 1968 or 1969.

(f) The Pine Valley Fair Association.

SECTION 4. ORS 462.062 is amended to read:

462.062. (1) All licensees of race meets for horses, except those subject to ORS 462.057, shall make payments as follows:

(a) A license fee of \$100 per racing day to the Oregon Racing Commission.

(b) One percent of gross mutuel wagering to the commission.

(c) A percentage of gross mutuel wagering to a purse account, in such amounts as the race meet licensee and the horse owners may agree upon, subject to approval by the commission. In addition to the amount paid to the regular purse account, 0.1 percent of gross mutuel wagering shall be paid into a separate account and used only to supplement purses of races consisting exclusively of Oregon bred horses. However, subject to prior approval of the commission, a portion of the percentage of gross mutuel wagering designated by this paragraph may be paid to one or more associations of horsemen for operating expenses and other benefits for horsemen.

(d) Three-quarters of one percent of gross mutuel wagering on thoroughbred horse races to the Oregon Thoroughbred **Owners and Breeders Association, Incorporated**, for purse supplements for owners of Oregon bred thoroughbred horses. The association shall apportion the amount among the owners in the same ratio that each owner's purses for Oregon bred thoroughbred horses for the race meet bears to the total purses for Oregon bred thoroughbred horses for the race meet.

(e) Three-quarters of one percent of gross mutuel wagering on [quarterhorse] **quarter horse** races to the [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing Association, Incorporated**, for purse supplements for owners of Oregon bred [quarterhorses] **quarter horses**. The association shall apportion the amount among the owners in the same ratio that each owner's purses for Oregon bred [quarterhorses] **quarter horses** for the race meet bears to the total purses for Oregon bred [quarterhorses] **quarter horses** for the race meet.

(f) Three-quarters of one percent of gross mutuel wagering on races for any breed of horses not designated in paragraph (d) or (e) of this subsection to each horsemen's association recognized by the commission as representing breeds of horses not designated in paragraph (d) or (e) of this subsection, for purse supplements of owners of other Oregon bred horses. Each association shall apportion the amount among the owners in the same ratio that each owner's purses for other Oregon bred horses for the race meet bears to the total purses for other Oregon bred horses for the race meet.

(g) Two-tenths of one percent of gross mutuel wagering to a special track fund of the type, and for the uses and purposes, and subject to the conditions set forth in ORS 462.057 (1)(c)(F).

(2) Subject to prior approval of the commission, each horsemen's association designated in subsection (1)(d), (e) and (f) of this section may use a portion of the purse supplements for operating expenses and other benefits for horsemen.

SECTION 5. ORS 462.127 is amended to read:

462.127. Notwithstanding any other provision of this chapter:

(1) The [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing** Association, Incorporated, and the Oregon Division Horsemen's Benevolent and Protective Association, may each be granted up to 15 days of racing per fiscal year at locations approved by the Oregon Racing Commission. Such racing must be sponsored by the [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing** Association, Incorporated, or the Oregon Division Horsemen's Benevolent and Protective Association, and the net licensee income shall be used only for the payment of purses to horsemen participating at the meeting. The commission shall schedule the racing for the [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing** Association, Incorporated, and the Oregon Division Horsemen's Benevolent and Protective Association, in such a manner as to avoid conflict with other race meets previously licensed under ORS 462.057. The [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing** Association, Incorporated, and the Oregon Division Horsemen's Benevolent and Protective Association, shall make payments as specified in ORS 462.057 (1).

(2) Racing days granted pursuant to this section may not be included in the number of racing days counted for purposes of the 350-day limitation established in ORS 462.125.

SECTION 6. ORS 462.140 is amended to read:

462.140. (1) [*No person shall*] **A person may not** conduct or commit, attempt or conspire to conduct or commit pool selling, bookmaking, or circulate handbooks, or bet or wager on any licensed race meet, other than by the mutuel method. All moneys wagered in Oregon must be accounted for through a computerized mutuel wagering system in use by an operating race meet in this state and approved by the Oregon Racing Commission. Wagering into pools outside of Oregon via telephone or other device is prohibited unless the wagering information is transmitted by a licensee that conducts off-race course mutuel wagering pursuant to ORS 462.700 to 462.740.

(2) A race meet licensee may not take more than 22 percent of the gross receipts of any mutuel wagering system subject to approval by the commission.

(3) A race meet licensee shall compute breaks in the mutuel system at 10 cents for each dollar wagered in a specific mutuel pool except, when the breaks in the mutuel system compute to less than 10 cents total for each dollar wagered, the race meet licensee shall compute the breaks on that specific mutuel pool at five cents. When the breaks in the mutuel system compute at 10 cents or more for each dollar wagered, the race meet licensee shall pay in increments of 10 cents for each dollar wagered. When the breaks in the mutuel system compute to less than 10 cents for each dollar wagered, the race meet licensee shall pay five cents for each dollar wagered. For horses, 45 percent of the breaks shall be retained by the licensee. For greyhounds, 33-1/3 percent shall be retained by the licensee. The other 55 percent for horses and 66-2/3 percent for greyhounds shall be paid as follows:

(a) For thoroughbred horse races, to the Oregon Thoroughbred **Owners and Breeders** Association, Incorporated, to be used by that association subject to prior approval of the commission, in such amounts and for such of the following purposes as the association deems desirable:

(A) For breeders awards;

(B) For stallion awards;

(C) For education of the members of the association and other horsemen regarding the breeding and racing of thoroughbred horses; or

(D) For the promotion and development of thoroughbred horse breeding and racing in Oregon.

(b) For [*quarterhorse*] **quarter horse** races, to the [*Racing Division of the Oregon Quarterhorse*] **Oregon Quarter Horse Racing** Association, Incorporated, to be used by that association subject to prior approval of the commission, in such amounts and for such of the following purposes as the association deems desirable:

(A) For breeders awards;

(B) For stallion awards;

(C) For education of the members of the association and other horsemen regarding the breeding and racing of [*quarterhorses*] **quarter horses**; or

(D) For the promotion and development of [quarterhorse] **quarter horse** breeding and racing in Oregon.

(c) For races for any other horses not designated in paragraphs (a) and (b) of this subsection, to each association of horsemen recognized by the commission as representing the other breeds of horses, to be used by that association subject to prior approval of the commission, in such amounts and for such of the following purposes as each recognized association deems desirable:

(A) For breeders awards;

(B) For stallion awards;

(C) For education of the members of the association and other horsemen regarding the breeding and racing of horses; or

(D) For the promotion and development of horse breeding and racing in Oregon.

(d) By a licensee of a race meet for greyhounds:

(A) One-half thereof to augment purses subject to reasonable regulations prescribed by the commission.

(B) The other one-half thereof for benefit and improvement of the breeding, ownership, training and racing of greyhounds in Oregon, subject to reasonable regulations prescribed by the commission. Included, but not by way of limitation, would be payment of purses for maiden graduation or special schooling races without wagering, and construction and operation of one or more appropriate public training facilities within the state. All such funds shall be retained by the licensee in an account separate from all other funds, and no disbursements or transfers shall be made therefrom without prior approval of the commission.

Passed by Senate April 16, 2007

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Secretary of Senate

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President of Senate

Passed by House May 10, 2007

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Speaker of House

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State