

Senate Bill 78

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Oregon Racing Commission to adopt rules related to issuance of licenses to conduct off-race course simulcast mutuel wagering.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to racing; creating new provisions; amending ORS 461.217, 462.010, 462.142, 462.145, 462.700,
3 462.710, 462.720 and 462.730; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 462.**

6 **SECTION 2. (1) The Oregon Racing Commission shall adopt rules regarding the issuance**
7 **to qualified applicants of nonrace meet simulcast licenses to conduct off-race course**
8 **simulcast mutuel wagering. The rules adopted under this section shall:**

9 (a) **Establish an application process;**

10 (b) **Set out requirements for licensure; and**

11 (c) **Establish fees related to issuance and renewal of nonrace meet simulcast licenses.**

12 (2) **The commission may adopt other rules as necessary related to the issuance of non-**
13 **race meet simulcast licenses.**

14 **SECTION 3. ORS 461.217 is amended to read:**

15 461.217. (1) As used in this section, "video lottery game retailer" means a contractor under
16 contract with the Oregon State Lottery to place video lottery game terminals on premises author-
17 ized by the contract.

18 (2) A video lottery game terminal that offers a video lottery game authorized by the Director
19 of the Oregon State Lottery:

20 (a) May be placed for operation only in or on the premises of an establishment that has a con-
21 tract with the Oregon State Lottery as a video lottery game retailer.

22 (b) Must be within the control of an employee of the video lottery game retailer.

23 (c) May not be placed in any other business or location.

24 (3) A video lottery game terminal may be placed only on the premises of an establishment li-
25 censed by the Oregon Liquor Control Commission with a full on-premises sales license, a limited
26 on-premises sales license or a brewery-public house license. A video lottery game terminal may be
27 placed only in that part of the premises that is posted by the Oregon Liquor Control Commission
28 as being closed to minors. In addition to the requirements of this subsection, the director may by
29 rule establish other criteria and conditions as the director determines appropriate for the placement
30 of video lottery game terminals in establishments.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (4) No more than six video lottery game terminals may be placed in or on premises described
 2 in subsection (3) of this section.

3 (5) No more than 10 video lottery game terminals may be placed in or on the premises of a race
 4 meet licensee licensed under ORS 462.020 **or a nonrace meet simulcast licensee licensed under**
 5 **section 2 of this 2019 Act** that qualifies as a video lottery game retailer.

6 **SECTION 4.** ORS 462.010 is amended to read:

7 462.010. As used in this chapter, unless the context otherwise requires:

8 (1) "Breaks" means the odd cents remaining after the payoff prices have been computed in ac-
 9 cordance with ORS 462.140 (3).

10 (2) "Calendar year" means a 12-month year, January 1 through December 31.

11 [(3) "Commission" means the Oregon Racing Commission.]

12 [(4)] (3) "Continuous race meet" includes any exhibition of animal racing continuously at the
 13 same race course by two or more licensees where the mutuel system is used in conjunction with any
 14 race.

15 [(5)] (4) "Drug" means any narcotic, sedative, anesthetic, analgesic, drug or other medication
 16 of any kind or description intended for use in any manner, directly or indirectly, internally or ex-
 17 ternally, in the diagnosis, treatment, mitigation or cure of injury or disease or for use in the pre-
 18 vention of disease that could affect, in any manner, the racing condition or performance of an animal
 19 as a depressant, stimulant, local anesthetic, analgesic, sedative or otherwise. "Drug" includes:

20 (a) Substances, other than foods, intended to affect the structure or any function of the body of
 21 the animal and all substances affecting the central nervous system, respiratory system or blood
 22 pressure of any animal other than vitamins or supplemental feeds; and

23 (b) Any identified substance that can affect or interfere with the true and accurate testing and
 24 analysis of blood, saliva, urine or other samples taken from racing animals.

25 [(6)] (5) "Fiscal year" means a 12-month year, as described in ORS 293.605.

26 [(7)] (6) "Gross mutuel wagering" means all mutuel wagering that is made in person:

27 (a) At the race course of a race meet licensee;

28 (b) At an off-race course mutuel wagering location approved by the **Oregon Racing** Commission;

29 or

30 (c) Through account wagering authorized under ORS 462.142.

31 [(8)] (7) "Licensee" means a person, partnership, corporation, political subdivision, municipal
 32 corporation or any other body holding a license under this chapter.

33 [(9)] (8) "Mutuel" means a system whereby:

34 (a) Wagers with respect to the outcome of a race are placed with a wagering pool in which the
 35 participants are not wagering against the operator; and

36 (b) The operator distributes to one or more winning participants the total amount in the
 37 wagering pool, less amounts deducted by the operator as approved by the commission.

38 (9) **"Nonrace meet simulcast licensee" means a licensee that holds a license issued under**
 39 **section 2 of this 2019 Act.**

40 (10) "Public training track" means any race course or other facility that is available or open to
 41 the public for use in the training or schooling of racing animals.

42 (11) "Race" means any race conducted in a race meet. "Race" includes races conducted without
 43 wagering, provided one or more races in the meet are conducted with wagering.

44 (12) "Race course" means all the premises used in connection with the conduct of a race meet,
 45 including but not limited to, the race track, grandstands, paddock, stables, kennels and all other

1 buildings and grounds adjacent to or appurtenant to the physical limits of the race track.

2 (13) "Race meet" means any exhibition of animal racing where the mutuel system is used in
3 conjunction with any race.

4 **SECTION 5.** ORS 462.142 is amended to read:

5 462.142. (1) In addition to mutuel wagering otherwise authorized by this chapter, account
6 wagering may be conducted upon such conditions as the Oregon Racing Commission determines
7 appropriate. The commission may authorize only a race meet licensee [*who is the holder of a license*
8 *issued*] **licensed** under ORS 462.057, 462.062 or 462.067 **or a nonrace meet simulcast licensee li-**
9 **censed under section 2 of this 2019 Act** to conduct account wagering.

10 (2)(a) As used in this section, "account wagering" means a form of mutuel wagering in which
11 an individual may deposit money in an account with a race meet licensee **or nonrace meet**
12 **simulcast licensee** and then use the account balance to pay for mutuel wagering conducted by the
13 licensee.

14 (b) An account wager **made with a race meet licensee** must be made in person by the holder
15 of the account at the race course.

16 **SECTION 6.** ORS 462.145 is amended to read:

17 462.145. Notwithstanding ORS 167.108 to 167.164, a race meet licensee **or a nonrace meet**
18 **simulcast licensee**, with the prior approval of the Oregon Racing Commission, may conduct
19 handicapping contests for race meet patrons. Such contests may include, but are not limited to,
20 competitions for prizes for the highest percentage of correct selection of the order of finish of ani-
21 mals from among predetermined races that are live races conducted at the licensee's race course
22 or simulcast races offered by the licensee, or any combination thereof. Prizes offered for
23 handicapping contests are not part of the pari-mutuel wagering system.

24 **SECTION 7.** ORS 462.700 is amended to read:

25 462.700. In addition to mutuel wagering authorized by this chapter to be conducted upon the
26 premises of a race course, a race meet licensee **licensed under ORS 462.062 and a nonrace meet**
27 **simulcast licensee licensed under section 2 of this 2019 Act** may conduct off-race course mutuel
28 wagering in accordance with ORS 462.700 to 462.740 and Oregon Racing Commission rules.

29 **SECTION 8.** ORS 462.710 is amended to read:

30 462.710. (1) [Any] **A** race meet licensee **or nonrace meet simulcast licensee** may [*make written*
31 *application*] **apply in writing** to the Oregon Racing Commission to conduct off-race course mutuel
32 wagering:

33 (a) On races held at the licensee's race course; or

34 (b) On races held at race courses outside this state.

35 (2)(a) [*The application shall be in such form, shall contain such information and shall be submitted*
36 *at such time and in such manner as the commission may require.*] **The commission shall establish**
37 **the requirements for the application described in this section, including but not limited to:**

38 **(A) The form of the application;**

39 **(B) The contents of the application; and**

40 **(C) The time and manner of submission of the application.**

41 (b) Information required by the commission may include, but is not limited to, a description of
42 the facilities, equipment and method of operation whereby the applicant proposes to conduct off-race
43 course mutuel wagering activities.

44 (3) **If both a race meet licensee and a nonrace meet simulcast licensee apply to conduct**
45 **off-race course mutuel wagering under this section, the commission shall give preference to**

1 **the race meet licensee to conduct off-race course mutuel wagering in this state and shall**
 2 **authorize the race meet licensee unless, in its discretion, the commission determines the**
 3 **race meet licensee's application is inferior to that of the nonrace meet simulcast licensee.**

4 [(3)] (4)(a) The commission shall:

5 (A) Authorize off-race course mutuel wagering upon [*such*] **the** terms and conditions regarding
 6 the time, location and manner of operation [*as*] **that** the commission considers appropriate[.]; **and**

7 **(B) Permit off-race course mutuel wagering only at an authorized location.**

8 (b) The commission may not authorize:

9 (A) More than 20 locations for off-race course mutuel wagering to be in operation at any one
 10 time [*and shall permit off-race course mutuel wagering only at an authorized location. The commission*
 11 *may not authorize*];

12 (B) The conduct of off-race course mutuel wagering at any time or place or in any manner that
 13 the commission determines would have substantial adverse impact upon mutuel wagering on races
 14 held at a race course in this state[. *The commission may not authorize*];

15 (C) A race meet licensee **or a nonrace meet simulcast licensee** to conduct off-race course
 16 mutuel wagering within the boundaries of any city or county that has adopted an ordinance pro-
 17 hibiting the conduct of that activity within the city or county[. *The commission may not authorize*];

18 **or**

19 (D) A race meet licensee **or a nonrace meet simulcast licensee** to conduct off-race course
 20 mutuel wagering in any county with a population of less than 250,000 at a location that is within
 21 40 miles of any other location where another [*race meet*] licensee is conducting a live race meet
 22 without written consent of the live race meet licensee.

23 [(4)] (5) In addition to other grounds provided in this chapter, the commission may refuse to is-
 24 sue or renew or may revoke or suspend the license of any race meet licensee **or nonrace meet**
 25 **simulcast licensee**, or any employee [*thereof*] **of a race meet licensee or nonrace meet simulcast**
 26 **licensee**, for failure to comply with ORS 462.700 to 462.740 or commission rules.

27 [(5)] (6) If a race meet licensee **or nonrace meet simulcast licensee** proposes to conduct off-
 28 race course mutuel wagering at a physical facility separate from [*the*] **a** race course:

29 (a) Individuals working at the separate facility must obtain a license for such employment from
 30 the commission if the individuals are performing duties for which a license would be required if the
 31 duties were performed at a race course. The fee for any such license shall be the same as the fee
 32 for the license required if the individual were working at a race course.

33 (b) ORS 462.080, 462.190 and 462.195 apply to the race meet licensee **or the nonrace meet**
 34 **simulcast licensee** and to individuals at the facility in the same manner as if the mutuel wagering
 35 activity were being conducted at a race course.

36 [(6)] (7) In addition to other requirements of ORS 462.700 to 462.740, the commission may au-
 37 thorize a race meet licensee to conduct off-race course mutuel wagering on a particular race that
 38 is held at a race course outside this state subject to the following conditions:

39 (a) The commission may authorize only one race meet licensee, that is the holder of a license
 40 under ORS 462.062 or 462.067, to conduct off-race course mutuel wagering on the race.

41 (b) The commission may authorize such off-race course mutuel wagering to be conducted at the
 42 licensee's race course and any off-race course wagering site approved by the commission.

43 (c) The commission may authorize a race meet licensee to conduct off-race course mutuel
 44 wagering on either horse races or greyhound races, except that:

45 (A) A horse race meet licensee may conduct off-race course mutuel wagering on greyhound

1 races only if there is no active greyhound race meet licensee; and

2 (B) A greyhound race meet licensee may conduct off-race course mutuel wagering on horse races
 3 only if there is no active horse race meet licensee.

4 (d) If a licensee applies for authority to conduct mutuel wagering on horse races held at race
 5 courses outside this state, the commission may require that the licensee provide [*such*] evidence
 6 [*as*] **that** the commission considers appropriate regarding the ability of the licensee to comply with
 7 the Interstate Horseracing Act of 1978, 15 U.S.C. 3001 to 3007, as amended.

8 **SECTION 9.** ORS 462.720 is amended to read:

9 462.720. (1) All moneys wagered in off-race course mutuel wagering on races held at race
 10 courses in this state shall be included in the computation of the mutuel pool for that race at the
 11 race course. Subject to rules adopted by the Oregon Racing Commission and upon application of the
 12 race meet licensee **or nonrace meet simulcast licensee**, the commission may authorize:

13 (a) Moneys wagered in off-race course mutuel wagering at locations outside this state on races
 14 held at race courses in this state to be included in the computation of the mutuel pool for the race
 15 at the Oregon race course.

16 (b) Moneys wagered in off-race course mutuel wagering at locations in this state on races held
 17 at race courses outside this state to be included in the computation of the mutuel pool for the race
 18 at the race course.

19 (2) Notwithstanding ORS 462.140, in the case of moneys wagered in off-race course mutuel
 20 wagering at a location in this state and included in the mutuel pool of a race held at a race course
 21 outside this state, the amount taken from the mutuel pool by the race meet licensee **or nonrace**
 22 **meet simulcast licensee** to pay taxes, purses, compensation for the licensee and other payments
 23 shall be the amount required by statute at the race course outside this state.

24 (3) A race meet licensee **or nonrace meet simulcast licensee** that is authorized to conduct
 25 off-race course mutuel wagering may exact a surcharge on off-race course mutuel wagering at a rate
 26 not exceeding five percent. At the discretion of the race meet licensee **or nonrace meet simulcast**
 27 **licensee**, the surcharge shall be paid by the wagerer on the amount wagered to the race meet
 28 licensee **or nonrace meet simulcast licensee** at the time the wager is made, or the surcharge shall
 29 be paid on the winnings and shall be deducted at the time winnings are paid. All surcharges col-
 30 lected by the race meet licensee **or nonrace meet simulcast licensee** shall be reported to the
 31 commission at such time and in such manner as the commission may require.

32 **SECTION 10.** ORS 462.730 is amended to read:

33 462.730. A race meet licensee **or a nonrace meet simulcast licensee** that conducts off-race
 34 course mutuel wagering shall make payments to the Oregon Racing Commission in the same manner
 35 as if the mutuel wagering were being conducted at [*the*] a race course.

36 **SECTION 11. This 2019 Act being necessary for the immediate preservation of the public**
 37 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
 38 **on its passage.**