

A-Engrossed
House Bill 3514

Ordered by the House April 10
Including House Amendments dated April 10

Sponsored by Representative GOMBERG; Representative NERON

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.

[Requires Oregon Racing Commission to investigate reports of Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub licensees that, in violation of statute, permit greyhound wagering accounts to be opened by individuals in jurisdictions where greyhound racing is unlawful. Requires commission to suspend license of violators until licensee implements appropriate controls.]

[Prohibits licensees from accepting wagers on greyhound races that took place or are taking place outside United States.]

Prohibits wagering on greyhound races. Provides that prohibition does not prohibit Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub licensees from accepting or facilitating mutuel wagers on greyhound races from persons outside state.

Prohibits licensees from accepting or facilitating mutuel wagers on greyhound races held at race courses in Mexico.

Prohibits licensees from accepting or facilitating mutuel wagers on greyhound racing after July 1, 2029.

Modifies information required in annual report by Oregon Racing Commission to Legislative Assembly.

Modifies laws to remove references relating to live greyhound racing in this state.

A BILL FOR AN ACT

1
2 Relating to racing; creating new provisions; amending ORS 462.010, 462.020, 462.030, 462.040, 462.057,
3 462.067, 462.070, 462.075, 462.110, 462.125, 462.140, 462.155, 462.510, 462.710 and 462.725 and sec-
4 tion 2, chapter 77, Oregon Laws 2022; and repealing ORS 462.135.

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

6 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 462.**

7 **SECTION 2. (1) No person may wager money or any other thing of value on the outcome**
8 **of a greyhound race.**

9 **(2) Nothing in this section prohibits a Multi-Jurisdictional Simulcasting and Interactive**
10 **Wagering Totalizator Hub licensed under ORS 462.725 from accepting or facilitating mutuel**
11 **wagers on greyhound races from persons outside the state.**

12 **SECTION 3. ORS 462.725, as amended by section 1, chapter 77, Oregon Laws 2022, is amended**
13 **to read:**

14 462.725. (1) Notwithstanding any other provision of this chapter, the Oregon Racing Commission
15 may adopt rules to:

16 (a) License and regulate all phases of operation of Multi-Jurisdictional Simulcasting and Inter-
17 active Wagering Totalizator Hubs located in Oregon; and

18 (b) Authorize and license Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator
19 Hubs to conduct simulcast broadcasting of, and mutuel wagering on, animal races, including previ-
20 ously held races on which mutuel wagering is lawful in Oregon, **subject to subsections (7) to (9)**

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 **of this section.**

2 (2) In addition to the other rules of operation adopted by the commission, the commission shall
3 adopt a rule setting the amount that may be taken from the gross receipts of the multi-jurisdictional
4 mutuel system.

5 (3) All employees working in Oregon and all officers of any Multi-Jurisdictional Simulcasting
6 and Interactive Wagering Totalizator Hubs located and operating in Oregon must obtain a license
7 from the commission prior to the commencement of business or employment. The commission shall
8 adopt rules establishing license fees for the employees and officers, not to exceed \$30 per year.

9 (4) Payments to be made to the commission include:

10 (a) Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub license fee not
11 more than \$200 per operating day.

12 (b) Not more than one percent of total gross receipts of mutuel wagering recorded by the
13 totalizator system.

14 (5) Of the moneys received by the commission under subsection (4)(b) of this section, 25 percent
15 shall be paid to the State Treasurer for deposit in the General Fund and 75 percent shall be retained
16 by the commission. The commission may adopt rules under which the moneys retained by the com-
17 mission may be distributed for the benefit of the Oregon pari-mutuel racing industry.

18 (6) Wagers on previously held races authorized under subsection (1) of this section are subject
19 to the provisions of ORS 462.157.

20 (7) A Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub licensee may
21 **not** establish an account for wagering on greyhound racing for an individual [*unless*] **if** wagering
22 on live greyhound racing is unlawful in the jurisdiction of the individual's principal residence.

23 **(8) A Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub**
24 **licensee may not accept or facilitate mutuel wagers on greyhound races held at race courses**
25 **in Mexico.**

26 **(9) After July 1, 2029, a Multi-Jurisdictional Simulcasting and Interactive Wagering**
27 **Totalizator Hub licensee may not accept or facilitate mutuel wagers on greyhound racing.**

28 **SECTION 4.** Section 2, chapter 77, Oregon Laws 2022, is amended to read:

29 **Sec. 2.** (1) On or before February 1 of each year, the Oregon Racing Commission shall provide
30 a report to the Legislative Assembly in the form required under ORS 192.245 on greyhound race
31 wagers made in Oregon.

32 (2) The report must include:

33 **(a) The number of full-time equivalent employees engaged in the regulation of wagering**
34 **on greyhound racing;**

35 **(b) An itemized list of expenditures, including human resources and operational costs,**
36 **made for the purpose of regulating wagering on greyhound racing;**

37 [*(a) The amount wagered on greyhound races in Oregon in the last calendar year;*]

38 **(c) The total amount of wagers on greyhound races that were accepted or facilitated by**
39 **Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub licensees in the**
40 **last calendar year;**

41 [*(b)*] **(d)** The total amount of state revenue derived from greyhound racing in the last calendar
42 year;

43 [*(c)*] **(e)** The race courses that hosted greyhound races on which wagers were accepted **or fa-**
44 **ilitated** [*in Oregon*] **by Multi-Jurisdictional Simulcasting and Interactive Wagering**
45 **Totalizator Hub licensees** in the last calendar year; [*and*]

1 [(d)] (f) Any regulatory rulings relating to race courses described in paragraph [(c)] (e) of this
2 subsection, made by the regulatory bodies governing those race courses[, *of which the commission*
3 *is aware.*]; **and**

4 (g) **All available data on the total number of greyhound injuries that occurred in the last**
5 **calendar year at race courses described in paragraph (e) of this subsection.**

6 **SECTION 5.** 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) “Continuous race meet” includes any exhibition of animal racing continuously at the same
13 race course by two or more licensees where the mutuel system is used in conjunction with any race.

14 (5) “Drug” means any narcotic, sedative, anesthetic, analgesic, drug or other medication of any
15 kind or description intended for use in any manner, directly or indirectly, internally or externally,
16 in the diagnosis, treatment, mitigation or cure of injury or disease or for use in the prevention of
17 disease that could affect, in any manner, the racing condition or performance of an animal as a
18 depressant, stimulant, local anesthetic, analgesic, sedative or otherwise. “Drug” includes:

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

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

24 (6) “Fiscal year” means a 12-month year, as described in ORS 293.605.

25 (7) “Gross mutuel wagering” means all mutuel wagering that is made in person:

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

27 (b) At an off-race course mutuel wagering location approved by the commission; or

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

29 (8) “Licensee” means a person, partnership, corporation, political subdivision, municipal corpo-
30 ration or any other body holding a license under this chapter.

31 (9) “Mutuel” means a system whereby:

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

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

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

38 (11) “Race” means any race conducted in a race meet. “Race” includes races conducted without
39 wagering, provided one or more races in the meet are conducted with wagering.

40 (12) “Race course” means all the premises used in connection with the conduct of a race meet,
41 including but not limited to, the race track, grandstands, paddock, stables[, *kennels*] and all other
42 buildings and grounds adjacent to or appurtenant to the physical limits of the race track.

43 (13) “Race meet” means any exhibition of animal racing where the mutuel system is used in
44 conjunction with any race.

45 **SECTION 6.** ORS 462.020 is amended to read:

1 462.020. (1) A person may not hold a race meet without having first obtained and having in full
2 force and effect a license therefor issued by the Oregon Racing Commission.

3 (2) A trainer, driver, jockey, apprentice jockey, horse owner, *[dog owner,]* exercise person, agent,
4 authorized agent, jockey's agent, stable foreman, groom, valet, veterinarian, horseshoer, steward,
5 stable guard, starter, timer, judge or other person acting as a participant or official at any race
6 meet, including all employees of the pari-mutuel department, may not participate in race meets
7 without having first obtained and having in full force and effect a license issued by the commission,
8 pursuant to such rules as the commission shall make. The commission by rule may require other
9 employees of a race meet licensee who are engaged in or performing duties at the race course to
10 obtain a license issued by the commission prior to engaging or performing such duties. The com-
11 mission by rule may also require persons, including corporations, who are not employees of a race
12 meet licensee, but who are authorized to do business at the race course, to obtain a license issued
13 by the commission prior to conducting such business.

14 (3) A person may not operate a public training track *[or public kennel for greyhounds partic-*
15 *ipating in a race meet]* without having first obtained and having in full force and effect a license
16 issued by the commission.

17 (4) The commission may require each applicant for a license to be photographed and shall re-
18 quire each applicant to be fingerprinted as part of the licensing procedure for the purpose of re-
19 questing a state or nationwide criminal records check under ORS 181A.195.

20 (5) Each person holding a license under this chapter shall comply with all rules and orders of
21 the commission.

22 (6) Notwithstanding the requirements of subsection (2) of this section, the commission, upon re-
23 ceipt of a written application for a license on forms provided by the commission, may in its sound
24 discretion issue a temporary license valid for a period not to exceed 10 days pending final approval
25 or disapproval of the written application for a license.

26 **SECTION 7.** ORS 462.030 is amended to read:

27 462.030. No person is eligible to operate a race meet with a license issued under this chapter
28 unless the person is the owner or controls the possession of a properly constructed race track
29 suitable for the *[class of]* races which are proposed to be conducted at such race track and improved
30 with safe and suitable grandstands, equipped with reasonably sanitary accommodations, adequate
31 stables for livestock together with adequate fire protection equipment, and such other proper im-
32 provements as in the judgment of the Oregon Racing Commission may be required, taking into con-
33 sideration the location of such race track and the probable capacity requirements to accommodate
34 the crowd and the number of people that will reasonably be expected to occupy the grandstands and
35 attend the race meets.

36 **SECTION 8.** ORS 462.040, as amended by section 3, chapter 77, Oregon Laws 2022, is amended
37 to read:

38 462.040. (1) Race meet licenses granted by the Oregon Racing Commission shall be limited to[:]

39 *[(a)]* licenses for horse and mule race meets *[(Class A)].*

40 *[(b) Licenses for greyhound race meets (Class B).]*

41 *[(2)(a) Except as the commission otherwise may provide by rule, no licensee shall be granted li-*
42 *censes of both classes nor shall licenses be issued for more than one class of racing on the same race*
43 *course, track or location.]*

44 *[(b) In adopting rules to carry out the provisions of this subsection, the commission shall consider,*
45 *among other matters, the impact on existing race meet licensees in the county in which application for*

1 *a license referred to in paragraph (a) of this subsection is made.]*

2 *[(3) The commission may not grant any license for greyhound race meets after July 1, 2022.]*

3 *[(4)] (2) The license shall specify the number of days the race meet shall continue and the*
4 *number of races per day.*

5 **SECTION 9.** ORS 462.057 is amended to read:

6 462.057. (1) A race meet licensee designated in subsection (2) of this section shall make payments
7 as follows:

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

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

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

11 *[(B) If the race meet is for greyhounds - 1.6 percent.]*

12 **(b) One percent of gross mutual wagering payable to the commission.**

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

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

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

26 (C) To the Oregon Quarter Horse Racing Association, Incorporated, purse supplements for
27 owners of Oregon bred quarter horses - one percent of gross mutuel wagering on quarter horse
28 races, to be apportioned among the owners in the same ratio that each owner's purses for Oregon
29 bred quarter horses for the race meet bears to the total purses for Oregon bred quarter horses for
30 the race meet;

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

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

41 (F) To a special track fund to be used primarily for improving the race track facilities benefiting
42 the horse and mule owners, trainers or breeders in the barn area - 0.2 percent. All such funds shall
43 be retained by the licensee in a separate account from all other funds and no disbursements or
44 transfers shall be made therefrom without prior approval of the commission. All physical improve-
45 ments paid from such funds shall satisfy reasonable fire, health, quality and construction standards

1 established or approved by the commission. Unless the commission provides otherwise, such im-
2 provements shall be made on the race course where the race meet which created the fund was held.

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

5 *[(A) To a special fund to be used primarily for the development and operation of a training track*
6 *and related facilities upon which to train greyhounds - 0.1 percent. All such funds shall be retained*
7 *by the licensee in a separate account from all other funds and no disbursements or transfers shall be*
8 *made therefrom without prior approval of the commission. All physical improvements paid from such*
9 *funds shall satisfy reasonable fire, health, quality and construction standards established or approved*
10 *by the commission. Unless the commission provides otherwise, such improvements shall be made on the*
11 *race course of the race meet licensee; and]*

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

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

18 (a) The Pendleton Roundup.

19 (b) The Eastern Oregon Livestock Fair.

20 (c) The Pacific International Livestock Exposition.

21 (d) Any county fair.

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

24 (f) The Pine Valley Fair Association.

25 **SECTION 10.** ORS 462.067 is amended to read:

26 462.067. All licensees of race meets except those subject to ORS 462.057 and 462.062 shall make
27 payments as follows:

28 (1) License fee - \$100 per racing day, payable to the Oregon Racing Commission.

29 (2) Percentage of gross mutuel wagering payable to the commission - 1.6 percent.

30 *[(3) Percentage of gross mutuel wagering on greyhound races payable to the Oregon Greyhound*
31 *Breeders Association, Incorporated - 0.5 percent for purse supplements for owners of Oregon bred*
32 *greyhounds, to be apportioned among the owners, in accordance with the rules of the commission and*
33 *subject to approval by the commission, in the same ratio that each owner's purses for Oregon bred*
34 *greyhounds for the race meet bears to the total purses for Oregon bred greyhounds for the race meet.*
35 *Subject to the prior written approval of the commission, the Oregon Greyhound Breeders Association,*
36 *Incorporated, may use a portion of the funds received pursuant to this section and ORS 462.057*
37 *(1)(d)(B) to offset expenses for receipt, accounting, handling and payment of those funds.]*

38 *[(4) To a special fund to be used primarily for the development and operation of a training track*
39 *and related facilities upon which to train greyhounds - 0.1 percent. All such funds shall be retained*
40 *by the licensee in a separate account from all other funds and no disbursements or transfers shall be*
41 *made therefrom without prior approval of the commission. All physical improvements paid from such*
42 *funds shall satisfy reasonable fire, health, quality and construction standards established or approved*
43 *by the commission. Unless the commission provides otherwise, such improvements shall be made on the*
44 *race course of the race meet licensee.]*

45 **SECTION 11.** ORS 462.070 is amended to read:

1 462.070. (1) The Oregon Racing Commission may adopt rules establishing license fees for persons
2 described in ORS 462.020 (2), not to exceed \$30 per year. Prior to adopting a rule that establishes
3 a fee for a license, the commission shall review the fees charged for similar licenses in other states.
4 The commission also may charge a reasonable fee for claiming certificates in an amount not to ex-
5 ceed \$10.

6 (2) The license fee per fiscal year for operators of public training tracks [*or kennels*] required
7 to be licensed under ORS 462.020 (3) shall be:

8 (a) For the Oregon State Fair or a county or district fair, \$10.

9 (b) For all other operators of public training tracks [*or kennels*], \$25.

10 (3) The commission may by rule provide for a license that is issued to a person described in ORS
11 462.020 (2) to be valid for one, two or three years from date of issuance. The commission may fix
12 the expiration date of the license and may prorate the fee established for the license.

13 **SECTION 12.** ORS 462.075 is amended to read:

14 462.075. (1) The Oregon Racing Commission may refuse to issue to or renew the license of any
15 applicant if it has reasonable ground to believe that the applicant:

16 (a) Has been suspended or ruled off a recognized course in another jurisdiction by the racing
17 board or commission thereof.

18 (b) Is not of good repute and moral character.

19 (c) Does not have, when previously licensed, a good record of compliance with the racing or
20 gaming laws of this state or of any other state and with the rules of the commission or of any other
21 racing or gaming commission.

22 (d) If the applicant is a corporation, firm or association, is not duly authorized to conduct
23 business within the State of Oregon.

24 (e) If an individual, has been convicted of a crime involving moral turpitude or of any gambling
25 or gambling-related offense, or, if a corporation, firm or association, is in whole or in part controlled
26 or operated directly or indirectly by a person who has been convicted of a crime involving moral
27 turpitude or of any gambling or gambling-related offense.

28 (f) If an individual, is engaged in wagering by other than the mutuel method or in pool selling
29 or bookmaking in any state of the United States or foreign country or, if a corporation, firm or as-
30 sociation, is in whole or in part controlled or operated directly or indirectly by a person who is
31 engaged in wagering by other than the mutuel method or in pool selling or bookmaking in any state
32 of the United States or foreign country.

33 (g) Has been found guilty by the commission of a violation of this chapter or any rules of the
34 commission.

35 (h) Should not, in the best interest of the safety, welfare, health, peace and morals of the people
36 of the state, be granted a license.

37 (2) The commission may refuse to issue or renew a license to conduct a race meet for any
38 ground set forth in subsection (1) of this section or if it has reasonable ground to believe any of the
39 following to be true:

40 (a) That the applicant is not possessed of or has not demonstrated financial responsibility suffi-
41 cient to meet adequately the requirements of the enterprise proposed to be licensed.

42 (b) That the applicant is not the true owner of the enterprise proposed to be licensed, that other
43 persons have ownership in the enterprise which has not been disclosed or, if the applicant is a
44 corporation, that any of the stock of such corporation is subject to a contract or option to purchase
45 at any time during the period for which the license is issued.

1 (c) That the granting of a license in the locality set out in the application is not demanded by
2 public interest or convenience.

3 (d) That the applicant, if a corporation, transferred any of its stock after an application for a
4 license to hold a race meet was filed with the commission without prior commission approval. The
5 provisions of this paragraph shall not apply to day-to-day transfers of stock of a publicly held cor-
6 poration whose shares are publicly quoted and regularly traded in the marketplace unless the
7 transfer, or a combination of transfers, involves a controlling interest in or affects the operational
8 control of the corporation, or involves 10 percent or more of any class of stock of the corporation.

9 (e) That the applicant lacks, or if the applicant is a corporation, its officers, managerial em-
10 ployees, directors and principal stockholders lack, the requisite character, reputation, general busi-
11 ness and managerial competence and ability, and experience in the business of racing so as to justify
12 or command public confidence.

13 (f) That the granting of the application would adversely and unreasonably affect the economy
14 of the State of Oregon and its people and the revenues of this state and of other beneficiaries of
15 racing funds designated in this chapter.

16 (3) The commission may refuse to issue or renew a license to any person who has made a false
17 statement of a material fact to the commission.

18 (4) The commission may refuse to issue or renew a license to any applicant for a race meet li-
19 cense if the applicant has failed to meet any monetary obligation in connection with any race meet
20 held in this state.

21 *[(5) The commission may deny a license to any applicant for a race meet license under ORS 462.067*
22 *unless the applicant for the license and the greyhound kennel owners, or their representative associ-*
23 *ation, have previously agreed upon a purse schedule.]*

24 *[(6)]* (5) Before refusing to license any applicant for a race meet license, the commission shall
25 afford the applicant an opportunity for hearing after reasonable notice as provided in ORS chapter
26 183. When the commission refuses to license an applicant on the basis of grounds provided in sub-
27 section (1)(b), (c) or (h) of this section, the commission shall specify the particular activities that
28 constitute the grounds for refusal and shall give the applicant written notice thereof.

29 **SECTION 13.** ORS 462.110 is amended to read:

30 462.110. (1) For the protection of the public, and all members thereof, the exhibitors and visitors,
31 every race meet licensee shall carry public liability insurance written on an approved form by a
32 company licensed to do business in Oregon and in an amount approved by the Oregon Racing
33 Commission.

34 (2) Every person licensed to conduct a race meet shall provide and deliver to the commission
35 a bond signed by a surety company authorized to do business in Oregon in such form as is required
36 by the commission and in an amount determined by the commission. The bond shall be conditioned
37 that the licensee will pay to the state all moneys due it under this chapter, including moneys which
38 escheat pursuant to ORS 462.073 and any fines imposed by any court or by any state agency; to
39 horsemen *[or greyhound owners]*, all moneys owing and all moneys required to be paid for breakage,
40 purses and Oregon-bred purse supplements; to persons presenting valid winning tickets, the amounts
41 owing to them; and to the special track fund or training track fund, all moneys required to be paid
42 to those funds by statute or rule. In lieu of a surety bond the commission may accept a certificate
43 of deposit, an irrevocable letter of credit, or equivalent which will assure that the obligations de-
44 scribed above are paid, up to the designated amount.

45 (3) The Attorney General or the district attorney of the county wherein the race meet is held

1 shall prosecute all actions on such bonds on behalf of the state.

2 (4) Any person having a claim against the licensee for any obligation covered by the bond or
3 bond substitute, except cause of action covered by public liability insurance, may prosecute the same
4 in an action in behalf of the claimant brought in the name of the state for the use and benefit and
5 at the expense of such claimant. The court may award reasonable attorney fees to the prevailing
6 party in an action under this subsection. If the amount of the bond or bond substitute is insufficient
7 to cover all obligations, amounts owing to and for the benefit of the state pursuant to ORS 462.073
8 (3) shall have priority over any other claims. No action may be brought for recovery on the bond
9 or bond substitute unless written notice of the claim is made to the commission and to the race meet
10 licensee within 120 days after the last day of the race meet or continuous race meet in which the
11 obligation arose. The notice must be by registered mail, certified mail with return receipt or per-
12 sonal service to the licensee or to the licensee's registered agent. Any action for recovery on the
13 bond or bond substitute must be brought no earlier than 60 days and no later than 180 days after
14 service of the written notice on the race meet licensee or on the licensee's registered agent. These
15 limitations shall not apply to claims for valid winning tickets if the claimant has made a timely
16 claim pursuant to ORS 462.073 (2).

17 (5) Every person licensed to conduct a race meet for horses shall carry insurance to protect
18 jockeys and, if appropriate, drivers. The type, form and amount of insurance, and the carrier, must
19 be approved by the commission.

20 **SECTION 14.** ORS 462.125 is amended to read:

21 462.125. (1) The Oregon Racing Commission shall determine the number [*and classes*] of race
22 meets to be held in any fiscal year, and the total number of racing dates to be granted to a licensee
23 subject to provisions of ORS 462.062 and 462.067. Not more than 350 days of racing, exclusive of
24 racing days authorized to designated licensees pursuant to subsection (5) of this section, shall be
25 held in any metropolitan area in any fiscal year. A licensee shall conduct at least 720 live races
26 under the license during each fiscal year race meets are held under the license. The commission
27 may reduce the number of races required under this section upon application by a horsemen's as-
28 sociation that negotiates with the race meet licensee.

29 (2) If a licensee under ORS 462.062 or 462.067 fails, for good cause, to complete all of the allo-
30 cated days in a licensed race meet or if the commission does not receive and approve license ap-
31 plications for all of the days allocated to [*either class of*] racing, the commission may add the unused
32 or unallocated days no later than June 30 of the following fiscal year, to the racing days allocated
33 to and available to the licensee or, in the discretion of the commission, to any other licensee [*of*
34 *either class of racing*] in the metropolitan area. Additional race days allocated under this subsection
35 are exempt from the limit of 350 days of racing in a fiscal year imposed by subsection (1) of this
36 section. The additional racing days granted by the commission to any eligible licensee may not ex-
37 ceed the total of the unused or unallocated racing days in any one fiscal year.

38 (3) If an emergency occurs on the day of racing, and a night racing program runs past the hour
39 of midnight, such time after midnight is not considered an additional racing day.

40 (4) As used in subsections (1) and (2) of this section, "metropolitan area" means:

41 (a) Multnomah, Clackamas and Washington Counties.

42 (b) Marion and Polk Counties.

43 (c) Linn and Benton Counties.

44 (d) A county other than those designated in paragraphs (a), (b) and (c) of this subsection.

45 (5) Each licensee designated in ORS 462.057 may be granted up to 12 days of horse[,] **or** mule

1 [or *greyhound*] racing to be held within the county in which the licensee holds its fair or show or
 2 at a race course owned by a governmental agency or a nonprofit corporation in an adjoining county.
 3 If a licensee does not use all of the licensee's allocated race days during the fiscal year, the com-
 4 mission, in the commission's discretion, may allow that licensee to use the leftover days in the next
 5 fiscal year. If a licensee referred to in this subsection wishes to make application to the commission
 6 to schedule racing days that conflict with racing days previously scheduled by another such
 7 licensee, at least 30 days prior to the date of a meeting of the commission, the governing bodies of
 8 the applicant and the previous licensee shall meet at a time and place prescribed by the previous
 9 licensee to discuss the applicant's proposed racing day schedule. The conclusion of the parties re-
 10 garding the proposals for conflicting racing days and the matters upon which the parties agree or
 11 disagree shall be reduced to writing signed by the parties and submitted to the commission not later
 12 than 14 days prior to a meeting of the commission. The commission may approve or disapprove
 13 proposals for conflicting racing days upon such terms and conditions as the commission considers
 14 appropriate.

15 (6) The commission may not grant a license for any race meet within a county for dates that
 16 conflict with racing dates granted to the county fair of such county.

17 (7) The commission may not grant a licensee that is subject to ORS 462.062 a license for a race
 18 meet for a date that conflicts with a race meet date granted to a licensee that is subject to ORS
 19 462.057, unless the commission has the consent of the licensee that is subject to ORS 462.057. This
 20 subsection applies only if the licensee that is subject to ORS 462.057 held a race meet during the
 21 2002 calendar year on a date substantially similar to the date that is the subject of the conflict. A
 22 licensee that is subject to ORS 462.057 may not unreasonably withhold consent under this sub-
 23 section.

24 **SECTION 15. ORS 462.135 is repealed.**

25 **SECTION 16.** ORS 462.140 is amended to read:

26 462.140. (1) A person may not conduct or commit, attempt or conspire to conduct or commit pool
 27 selling, bookmaking, or circulate handbooks, or bet or wager on any licensed race meet, other than
 28 by the mutuel method. All moneys wagered in Oregon must be accounted for through a computerized
 29 mutuel wagering system in use by an operating race meet in this state and approved by the Oregon
 30 Racing Commission. Wagering into pools outside of Oregon via telephone or other device is prohib-
 31 ited unless the wagering information is transmitted by a licensee that conducts off-race course
 32 mutuel wagering pursuant to ORS 462.700 to 462.740.

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

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

45 (a) For thoroughbred horse races, to the Oregon Thoroughbred Owners and Breeders Associ-

1 ation, Incorporated, to be used by that association subject to prior approval of the commission, in
2 such amounts and for such of the following purposes as the association deems desirable:

3 (A) For breeders awards;

4 (B) For stallion awards;

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

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

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

11 (A) For breeders awards;

12 (B) For stallion awards;

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

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

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

20 (A) For breeders awards;

21 (B) For stallion awards;

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

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

25 *[(d) By a licensee of a race meet for greyhounds:]*

26 *[(A) One-half thereof to augment purses subject to reasonable regulations prescribed by the com-
27 mission.]*

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

35 **SECTION 17.** ORS 462.155 is amended to read:

36 462.155. (1) The Oregon Racing Commission may allow a race meet operator [*that holds a Class*
37 *A license*] to conduct mutuel wagering at the licensee's race course on horse races previously held
38 if:

39 (a) The races were actual events held at race courses during race meets;

40 (b) The races were subject to mutuel wagering at the time the races were originally held; and

41 (c) The race meets at which the races were originally held were approved by the commission
42 or by an equivalent regulatory body in another state.

43 (2) Subsection (1) of this section allows mutuel wagering on a horse race displayed as a video
44 or audio recording, or another form of recording approved by the commission, but does not authorize
45 wagering on any animation, computer simulation or other artificial representation of horse racing.

1 (3) Subsection (1) of this section does not apply to a race meet operator described in ORS
2 462.057 (2). Subsection (1) of this section does not authorize off-race course wagering or multi-
3 jurisdictional simulcasting for horse races previously held.

4 (4) Wagers authorized under subsection (1) of this section are subject to the provisions of ORS
5 462.157.

6 **SECTION 18.** ORS 462.510 is amended to read:

7 462.510. (1) Any person who attempts to, or does persuade, procure or cause another person to
8 wager on an animal participating in a race, and upon which money is wagered, and who asks or
9 demands, or accepts compensation as a reward for information or purported information given in
10 such case is a tout, and is guilty of touting.

11 (2) Predictions on the outcome of horse races [*and greyhound races*] may be sold on the
12 licensee's premises in accordance with rules promulgated by the Oregon Racing Commission.

13 **SECTION 19.** ORS 462.710 is amended to read:

14 462.710. (1) Any race meet licensee may make written application to the Oregon Racing Com-
15 mission to conduct off-race course mutuel wagering:

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

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

18 (2) The application shall be in such form, shall contain such information and shall be submitted
19 at such time and in such manner as the commission may require. Information required by the com-
20 mission may include, but is not limited to, a description of the facilities, equipment and method of
21 operation whereby the applicant proposes to conduct off-race course mutuel wagering activities.

22 (3) The commission shall authorize off-race course mutuel wagering upon such terms and condi-
23 tions regarding the time, location and manner of operation as the commission considers appropri-
24 ate. The commission may not authorize more than 20 locations for off-race course mutuel wagering
25 to be in operation at any one time and shall permit off-race course mutuel wagering only at an au-
26 thorized location. The commission may not authorize the conduct of off-race course mutuel wagering
27 at any time or place or in any manner that the commission determines would have substantial ad-
28 verse impact upon mutuel wagering on races held at a race course in this state. The commission
29 may not authorize a race meet licensee to conduct off-race course mutuel wagering within the
30 boundaries of any city or county that has adopted an ordinance prohibiting the conduct of that ac-
31 tivity within the city or county. The commission may not authorize a race meet licensee to conduct
32 off-race course mutuel wagering in any county with a population of less than 250,000 at a location
33 that is within 40 miles of any other location where another race meet licensee is conducting a live
34 race meet without written consent of the live race meet licensee.

35 (4) In addition to other grounds provided in this chapter, the commission may refuse to issue
36 or renew or may revoke or suspend the license of any race meet licensee, or any employee thereof,
37 for failure to comply with ORS 462.700 to 462.740 or commission rules.

38 (5) If a race meet licensee proposes to conduct off-race course mutuel wagering at a physical
39 facility separate from the race course:

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

44 (b) ORS 462.080, 462.190 and 462.195 apply to the race meet licensee and to individuals at the
45 facility in the same manner as if the mutuel wagering activity were being conducted at a race

1 course.

2 (6) In addition to other requirements of ORS 462.700 to 462.740, the commission may authorize
3 a race meet licensee to conduct off-race course mutuel wagering on a particular race that is held
4 at a race course outside this state subject to the following [*conditions*] **provisions**:

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

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

9 (c) The commission may authorize a race meet licensee to conduct off-race course mutuel
10 wagering on either horse races or greyhound races[, *except that*:].

11 [(A) *A horse race meet licensee may conduct off-race course mutuel wagering on greyhound races*
12 *only if there is no active greyhound race meet licensee; and*]

13 [(B) *A greyhound race meet licensee may conduct off-race course mutuel wagering on horse races*
14 *only if there is no active horse race meet licensee.*]

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

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