

CHAPTER 15. LICENSING

SUBCHAPTER 3. ORGANIZATIONAL LICENSING

325:15-3-4. Application for organization license

Any person desiring to conduct a horse race meeting shall apply to the Commission for an organization license [3A:205].

The application shall be made on a form prescribed and furnished by the Commission and shall include a search waiver

[3A:205.1(A)]. Pursuant to 3A O.S., § 205.1, the application shall contain the information in (1) through (15) of this section:

- (1) The dates on which and location where the applicant intends to conduct the race meeting.
- (2) The hours of each racing day between which the applicant intends to conduct racing and the number of races per day.
- (3) The racing breeds for which the applicant proposes to conduct racing and the proposed ratio of races for each breed.
- (4) The name and mailing address of the person making the application.
 - (A) If the applicant is a corporation, a certified copy of the Articles of Incorporation and Bylaws; 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.
 - (B) If the applicant is a partnership, a copy of the partnership agreement, and the names and mailing addresses of all general and limited partners with a statement of their respective interest in the partnership.
- (5) Drawings and plans of all existing physical facilities within the enclosure to be operated by applicant and preliminary design and outline specifications of all new facilities or additional improvements to such facilities which are proposed to be made, together with tentative approvals thereof by the State Fire Marshal of the State of Oklahoma or an approved plan of correction under State Fire Regulations; approvals of appropriate Health Department authorities; and provisions for handicapped persons approved by the Oklahoma Department of Human Services.
- (6) Description of types of pari-mutuel wagering to be conducted with schedule on a per race basis.
- (7) Description of pari-mutuel equipment, photographic equipment, video equipment, and copies of any proposed lease or purchase contract or service agreement in connection therewith.
- (8) Copies of real estate deed(s), contract(s) for sale, option agreement(s), lease(s), mortgage(s) or financing agreement(s), and the most current ad valorem tax assessment and zoning restrictions.
- (9) Copies of any agreements with concessionaires or Lessees, together with schedules of rates charged for performance of any service or for sale of any article within the enclosure, whether directly or through the concessionaire.
- (10) Any contract or agreement for the payment or receipt of money and schedule(s) of all salaries, fees, or compensations to be paid by the Organization Licensee.
- (11) Applicants must submit balance sheets and profit and loss statements for each of the three fiscal years immediately preceding the application, or for the period of organization if less than three years. If the applicant has not completed a full fiscal year since its organization, or if it acquires or is to acquire the majority of its assets from a predecessor within the current fiscal year, the financial information shall be given for the current fiscal year. All financial information shall be accompanied by an unqualified opinion of a Certified Public Accountant; or if the opinion is given with qualifications, the reasons for the qualifications must be stated.
- (12) *Any other information the Commission may require* [3A:205.1(A)(7)].
- (13) A separate application upon a form prescribed and furnished by the Commission shall be filed for each race meeting which such person proposes to conduct. The application, if made by a person, shall be signed and verified under oath by the person; and if made by more than one person or by a partnership, shall be signed and verified under oath by at least two of the persons or members of the partnership; and 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.
- (14) No person shall own any silent or undisclosed interest in any entity requesting an organization license. No organization license shall be issued to any applicant that fails to comply with the provisions of this Section. No incomplete license application shall be considered by the Commission.
- (15) License fees to conduct racing with the pari-mutuel system of wagering are required in an amount equal to Five Thousand Dollars (\$5,000.00) for each race meeting and Two Hundred Dollars (\$200.00) for each race day requested, except that the fee of Five Thousand Dollars (\$5,000.00) shall be waived for applicants applying for Fair Race Meetings pursuant to the provisions of the Act [3A:205.2(A)].
- (16) Pursuant to the provisions of 3A O.S., §§ 205.2, 205.2a, 205.3, 205.4, and 205.5, in considering the granting or denying of an organization's application for a license to conduct horse racing with the pari-mutuel system of wagering, the following criteria, standards, and guides in (A) through (R) of this paragraph should be considered by the Commission:
 - (A) Public interest
 - (i) Safety
 - (ii) Morals
 - (iii) Security
 - (iv) Municipal comments

- (v) Revenues: State and local
- (B) Track location
 - (i) Traffic flow
 - (ii) Support services (i.e., hotels, restaurants, etc.)
 - (iii) Labor supply
 - (iv) Public services (i.e., police, fire, etc.)
 - (v) Proximity to competition
- (C) Number of tracks running or making application
 - (i) Size
 - (ii) Type of racing
 - (iii) Days
- (D) Adequacy of track facilities
- (E) Experience in racing of Applicant and management
 - (i) Length
 - (ii) Type
 - (iii) Success/failure
- (F) Financial qualifications of Applicant, Applicant's partners, officers, associates, and Shareholders (to include contract services): Financial history including records and net worth
- (G) Moral qualifications of Applicant, Applicant's partners, directors, board members, officers, associates, and shareholders (to include contract services): Moral history including arrest record, conviction record, litigation record (civil/criminal), law enforcement intelligence, personal and family history and reputation
- (H) Official attitude of local government involved
- (I) Anticipated effect upon breeding and horse industry in Oklahoma
- (J) Effect on saturation of pari-mutuel market
- (K) Anticipated effect upon State's economy
 - (i) General economy
 - (I) Tourism
 - (II) Employment
 - (III) Support industries
 - (ii) Government revenue
 - (I) Tax (direct/indirect)
 - (II) Income (Direct/Indirect)
- (L) Attitude of local community involved
- (M) The written attitude of horse industry associations
- (N) Experience and credibility of Applicant, Applicant's employees, along with consultants, advisors, and professionals
 - (i) Feasibility
 - (ii) Credibility of feasibility study
 - (iii) Integrity
- (O) Financial integrity
 - (i) Economic integrity of financial plan
 - (I) Equity including source, amount, position, type
 - (II) Debt including source, amount, terms, repayment
 - (III) Equity to debt ratio
 - (ii) Moral integrity of financing plan
 - (I) Identity of participants
 - (II) Role of participants
 - (III) History of participants
 - (IV) Law enforcement intelligence
 - (V) Reputation of participants
- (P) Apparent or non-apparent hope of financial success

(17) Only the organizations set forth in Section 208.2 of Title 3A, i.e., Agricultural Fair Corporations, the Free Oklahoma State Fair, Free District Fairs, and Agricultural and Industrial Expositions Fairs or any existing county, district, or state fair as of January 1, 1983, will be allowed to apply to the Commission for a Fair Race Meeting Organization License; and the licensee shall actually be the operator of the race meeting.

(18) An allotment of sixteen (16) race days or less to a Fair Meet shall be confined within a maximum of twenty-eight (28) consecutive calendar days or a fair association shall be permitted to conduct a race meeting of twenty (20) to twenty-two (22) days during a thirty-eight-consecutive-day period, except as otherwise provided in 325:10-1-3.

(19) Pursuant to the provisions of 3A O.S. § 205.7a an Organizational Licensee may apply for an annual conditional approval of the simulcasting contracts by providing the Commission each racetrack or other recipient the Organizational Licensee contracts for the importation or exportation of live horse racing.

(20) If the official horsemen's representative approve, each official horsemen's representative shall provide a letter to the Commission authoring the conditional approval of the interstate simulcast export for the respective breed(s).