

**CHAPTER 69.5-01-08
PARI-MUTUEL WAGERING SYSTEMS**

DRAFT – to be added into **69.5-01-08-04. Calculation and distribution of pools.**

1. **General.** The only pari-mutuel wagering pools permitted are for win, place, show, daily double, exacta, quinella, trifecta, pick (n), superfecta, twin trifecta, tri-superfecta, twin superfecta, twin quinella, mad scramble, pick 1-2-3, pick 1-2-3-4-5, and 123racing Pick-n Wager[®], and Tote-X[®] win. In each pool there must be a separate and independent calculation and distribution. From each pool there must be deducted by each association the commissions as provided by state law. The remainder of the moneys in the pool constitute the net pool for distribution as payoff to ticketholders as set out in subsections 2 through 4¹⁹.

19. **Tote-X win.**

a. The Tote-X wagering platform uses a conventional pari-mutuel betting system and a separate pari-mutuel pool to allow ticketholders to wager among themselves on the results of individual races. However, at the time the bet is placed on a selected race through the Tote-X platform, the customer is allocated a fixed number of Redeemable Units (“RUs”) based upon the then-current odds of the horse being wagered upon using proprietary algorithms. The algorithms are applied uniformly to all wagers in the pool. These RUs are then held within the Tote-X platform specific to that bettor. When the odds of the horses in that race change after the initial wager is placed, the value of the issued RUs fluctuates in accordance with the change in odds. The customer may then choose to redeem all or part of their RUs for the current cash value of the RUs at any time prior to the close of wagering on the selected race. The Tote-X platform calculates the final pool by combining all bets made into the Tote-X win pool on a given event and then deducting commission, refunds, redemption payouts, and applicable taxes and fees.

b. For each Tote-X win pool;

(1) All bets are placed into the Tote-X win pool for a specific race;

(2) A valid Tote-X ticket or unique electronic identifier shall be evidence of a binding contract between the holder of the ticket and the host association, and shall constitute an acceptance of Tote-X provisions and rules contained in this chapter;

(3) Official program numbers must be used for all Tote-X wagers. All players are responsible for ensuring each wager is placed correctly;

(4) The odds calculations for Tote-X are performed on the same basis as for a conventional pari-mutuel pool. In the Tote-X platform the proprietary mathematical algorithms will then automatically recalculate the RU values for each horse after each transaction or batch of transactions (bet or redemption), reflecting the change in the current Tote-X pool odds;

(5) The Tote-X proprietary algorithms shall be applied uniformly to all wagers in the pool.

(6) As approved by the Commission, the host racing association may opt to cap the maximum odds on all Tote-X payouts;

(7) A Tote-X wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field as determined by the rules of the live corresponding race;

(8) The customer may choose to redeem all or part of their RUs for their then-current value at any time prior to the close of the relevant pool if a horse or combination of horses has not been excused by the stewards or declared a nonstarter and the pool operator has not otherwise suspended the capacity for ticketholders to redeem their wagers;

(9) A Tote-X wager may not be rescinded once it has been purchased other than through proper redemption of RUs in accordance with these rules.

(10) A redemption requires the customer to surrender all or part of the underlying wager. In the event of a redemption of all RUs issued for a specific wager, the original wager shall be surrendered in its entirety. In the event of a partial redemption of the RUs issued for a specific wager, the original wager will be surrendered in proportion to the percentage of RUs being redeemed;

(11) Subsequent to the deduction from the pool of each redemption payout, the remainder of the funds in the pool shall constitute the new value of all RUs which are available for subsequent redemptions. Thereafter, those RUs which are not redeemed prior to the closure of the pool constitute the net pool for distribution as payoff to ticketholders of wagers following a race being declared "official."

(12) Once the Tote-X win pool is closed prior to the race, ticketholders may no longer redeem any of their RUs.

(13) Each customer holding a successful bet after the race is declared "official" is entitled to collect according to the relevant final odds.

(14) From each redemption and final pool payout a commission shall be deducted by the host association in accordance with state law.

(15) The commission and its distribution for the Tote-X wager shall be approved by the Commission.

c. Notwithstanding any language to the contrary, the funds remaining in the Tote-X win pool following the payment of redemptions prior to the closure of the pool constitute the net pool for the purpose of distribution as payoff to winning ticketholders.

d. Any funds remaining after the closing of the Tote-X win pool will be distributed as payoff to the winning ticketholders in the same manner as a win pool pursuant to 69.5-01-08-04(2).

f. Notwithstanding 69.5-01-08-04(20) or any language to the contrary contained in this chapter, if, after wagering has commenced on a race, a horse not coupled with another as a betting interest is excused by the stewards or declared a non-starter, an amount based on the then-current odds as represented by the current value of the RUs on such horse, shall be deducted from the pools and refunded upon presentation and surrender of affected pari-mutuel tickets or unique electronic identifier. If more than one horse represents a single betting interest by reason of coupling as a mutual entry or mutual field, such single betting interest being the sole subject of a wager, then there may be no refund unless all of the horses representing such single betting interest as excused by the stewards or declared a non-starter, or both.

g. Notwithstanding 69.5-01-08-04(21) or any language to the contrary contained in this chapter, if, after wagering has commenced on a race, the race is thereafter cancelled or declared a "no race" by the stewards, and no redemptions have occurred prior to such, then all wagering thereon shall be refunded upon presentation and surrender of affected pari-mutuel tickets (or unique electronic identifier). However, if one or more redemptions have occurred prior to the stewards cancelling or declaring a "no race" then all wagering thereon shall be refunded at the then-current odds, as represented by the current value of the RUs, at the time of cancellation upon presentation and surrender of affected pari-mutuel tickets or unique electronic identifier.

h. Notwithstanding 69.5-01-08-04(22) or any language to the contrary contained in this chapter, in the event of an irreparable breakdown of the totalizator system during the wagering on a race, all Tote-X wagering thereon shall be refunded at the then-current odds, as represented by the current value of the RUs, at the time of irreparable breakdown upon presentation and surrender of affected pari-mutuel tickets or unique electronic identifier.

i. Notwithstanding 69.5-01-08-05 or any language to the contrary contained in this chapter, there is no minimum payoff for a Tote-X redemption. However, any distribution made after closing of the Tote-X win pool shall be subject to the minimum payoff provisions of 69.5-01-08-05.

j. Should circumstances occur which are not addressed by these rules, questions arising therefrom shall be resolved in accordance with general pari-mutuel practice. Decisions regarding distribution of the Tote-X pool made by the stewards are final.

4920. **Refunds.** Unless otherwise provided, after wagering has commenced, if a horse not coupled with another as a betting interest is excused by the stewards or is prevented from racing because of a failure of the starting gate door to open properly, the wagers on such horse must be deducted from the pools, and refunded upon presentation and surrender thereof. If more than one horse represents a single betting interest by reason of coupling as a mutual entry or

mutual field, such single betting interest being the sole subject of a wager or part of a combination then there may be no refund unless all of the horses representing such single betting interest as excused by the stewards or are prevented from racing because of failure of the starting gate doors to open properly, or both.

2021. **Race canceled.** If for any reason a race is canceled or declared "no race" by the stewards after wagering has commenced on such race, then all wagering thereon must be refunded upon presentation and surrender of pari-mutuel tickets thereon; except as otherwise provided.

2422. **Totalizator breakdown.** In the event of an irreparable breakdown of the totalizator during the wagering on a race, the wagering on that race must be declared closed and the payoff must be computed on the sums wagered in each pool up to the time of the breakdown.

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