

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

Section

69.5-01-08-01	General
69.5-01-08-02	Totalizator System
69.5-01-08-03	Records
69.5-01-08-04	Calculation and Distribution of Pools
69.5-01-08-05	Minimum Wager and Payoff
69.5-01-08-06	Minors Prohibited From Wagering
69.5-01-08-07	Odds or Payoffs Posted
69.5-01-08-08	Betting Explanation
69.5-01-08-09	Prior Approval Required for Betting Pools
69.5-01-08-10	Pools Dependent Upon <u>Entries Betting Interests</u>
69.5-01-08-11	Pari-Mutuel Ticket Sales
69.5-01-08-12	<u>Meeting Interests Involving More Than One- Horse Coupled Entries and Mutuel</u>
69.5-01-08-12.1	The Pari-Mutuel Manager
69.5-01-08-13	Emergency Situations
69.5-01-08-14	Totalizator Employees
69.5-01-08-15	Breakage and Outs
<u>69.5-01-08-16</u>	<u>Pari-Mutuel Cash Vouchers</u>
<u>69.5-01-08-17</u>	<u>Display of Betting Information By Associations</u>
<u>69.5-01-08-18</u>	<u>Refunds for Short Fields</u>
<u>69.5-01-08-19</u>	<u>Prior Approval Required for Betting Pools</u>
<u>69.5-01-08-20</u>	<u>Claims for Payment from Pari-Mutuel Pool</u>
<u>69.5-01-08-21</u>	<u>Complaints Pertaining to Association Pari-Mutuel Operations</u>
<u>69.5-01-08-22</u>	<u>Licensee Duty to Report</u>

69.5-01-08-01. General. Each association may permit wagering only on races conducted by each association on the grounds of such association except as otherwise permitted by the commission and state law. A host who is not an association may permit wagering only thorough the systems and methods approved by the commission. All such permitted wagering must be under the pari-mutuel system employing a totalizator system approved by the commission. All other systems of wagering other than pari-mutuel are prohibited.

History: Effective July 1, 1989; amended effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-02. Totalizator system. Each association shall install and operate during its meeting a totalizator system approved by the commission and such system must be tested prior to and during the meeting as required by the commission. A host who is not an association shall use only a totalizator system approved by the commission.

History: Effective July 1, 1989.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-03. Records. The pari-mutuel (mutuels) manager shall maintain complete records of all wagering so the commission may review such records for any race including the opening line, subsequent odds fluctuation, the amount and at which window wagers were placed on any betting interest, and such other information as the commission may require. Such wagering records must be retained by each association-host and safeguarded for a period of time specified by the commission.

- ~~1. When a patron makes a written complaint regarding the pari-mutuel department to an association, the association shall immediately issue a complaint report, setting out:
 - ~~a. The name of the complainant;~~
 - ~~b. The nature of the complaint;~~
 - ~~c. The name of the persons, if any, against whom the complaint was made;~~
 - ~~d. The date of the complaint;~~
 - ~~e. The action taken or proposed to be taken, if any, by the association.~~~~
- ~~2. The association shall submit every complaint report to the commission within forty-eight hours after the complaint was made.~~

History: Effective July 1, 1989; amended effective January 1, 2008; amended effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

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~~ those designated in The Association of Racing Commissioners International Model Rules of Racing version 5.9, rules ARCI-004-105 Part I, A through X, and Part II, E, mad seramblePari-mutuel Plus, pick 1-2-3, pick 1-2-3-4-5, 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-host the

commissions as provided by state law. The remainder of the moneys in the pool ~~constitute the net pool~~ must be distributed as payoff to ticketholders as set out ~~in subsections 2 through 18~~ therein.

~~2.—~~ **Win pool.** ~~The amount wagered on the horse or betting interest which finished first is deducted from the net pool, the balance remaining being the profit; the profit is divided by the amount wagered on the horse or betting interest finishing first, such quotient being the profit per dollar wagered to win; payoff includes return of amount wagered and profit thereon.~~

~~a.—~~ In the event of a dead heat for first involving horses of two different betting interests, ~~the win pool is distributed as if a place pool; if involving horses of three different betting interests, the win pool is distributed as if a show pool.~~

~~b.—~~ In the event no win ticket is sold on the horse which finishes first, ~~the net win pool is distributed to holders of win tickets on the horse finishing second.~~

~~3.—~~ **Place pool.** ~~The amounts wagered to place on the first two horses to finish are deducted from the net pool to determine the profit; the profit is divided into two equal amounts; one half of the profit is divided by the amount wagered to place on the first finisher, such quotient being the profit per dollar wagered to place on the first finisher; and one half of the profit is divided by the amount wagered to place on the second finisher, such quotient being the profit per dollar wagered to place on such second finisher; payoffs include return of amount wagered and profit thereon as to each of the first two finishers.~~

~~a.—~~ In the event of a dead heat for first between horses representing the same betting interests, ~~the place pool is distributed as if a win pool; if between horses representing two different betting interests, the place pools distributed as if one betting interest finished first and the other finished second; if between horses representing three different betting interests,~~

~~the place pool is distributed as if a show pool.~~

~~b.—In the event of a dead heat for second between horses representing the same betting interest, the place pool is distributed as if no dead heat occurred; if between horses representing two or more different betting interests, the profit is divided in half, with one-half allocated for wagers to place on the horse which finished first, and other half divided equally so as to allocate one-fourth of the profit on the net place pool for wagers to place on each of the two horses finishing in a dead heat for second, or one-sixth of the profit for wagers to place on each of three horses finishing in a dead heat for second.~~

~~c.—In the event the first and second finishers comprise a single betting interest, the place pool is distributed as if a win pool.~~

~~d.—In the event no place ticket is sold on a horse which finishes first or second, then the horse which finished third shall replace the horse in the distribution of wagers in the place pool.~~

~~4.—**Show pool.** The amounts wagered to show on the first three horses to finish are deducted from the net pool to determine the profit. The profit is divided into three equal amounts; one-third of the profit is divided by the amount wagered to win on the first finisher, such quotient being the profit per dollar wagered to show on such first finisher; one-third of the profit is divided by the amount wagered to show on the second finisher, such quotient being the profit per dollar wagered to show on such second finisher; and one-third of the profit is divided by the amount wagered to show on the third finisher, such quotient being the profit per dollar wagered to show on such third finisher. Payoffs include return of amount wagered and profits thereon as to each of the first three finishers.~~

~~a.—In the event of a dead heat for first: between two horses involving different betting interests, or three horses involving three different betting~~

~~interests, the show pool is distributed as if no dead heat occurred; if between two horses involving the same betting interest, two-thirds of the profit is allocated to wagers to show on the coupled betting interest, and one-third allocated to wagers to show on the other horse among the first three finishers; if between three horses involving one betting interest, the show pool is distributed as if a win pool.~~

~~b. In the event of a dead heat for second: between two horses involving two different betting interests, the show pool is distributed as if no dead heat occurred; if between horses involving the same betting interest, two-thirds of the profit is allocated to wagers to show on the coupled betting interest, and one-third allocated to wagers to show on the horse finishing first; if between three horses involving one, two, or three betting interests, one-third of the profit is allocated to wagers to show on the horse finishing first, and the remaining two-thirds of the profit is divided equally by the number of betting interests finishing in a dead heat for second for proportionate distribution on wagers to show for each such betting interest finishing in a dead heat for second.~~

~~c. In the event of a dead heat the third: between horses involving the same betting interests, the show pool is distributed as if no dead heat occurred; if between horses involving two or more betting interests, two-thirds of the profit shall be allocated to wagers to show on the first two finishers, and the remaining one-third is divided equally by the number of betting interests finishing in a dead heat for third for proportionate distribution on wagers to show for each such betting interest finishing in a dead heat for third.~~

~~d. In the event the first three horses to finish comprise one betting interest, the show pool must be distributed as a win pool. In the event two horses coupled as a single betting interest finish first and second, or first and third, or second and third, two-thirds of the profit must be allocated to wagers to show on the other horse among the~~

first three finishers:

~~e.—In the event one horse coupled in the betting by reason of being in the mutuel field or part of a mutuel entry finishes first or second and another horse included in the same betting interest finishes in a dead heat for third: one-half of the profit in the show pool must be allocated to wagers on such field or entry, one-third of the profit in the show pool must be allocated to wagers on the horse finishing first or second, and the remaining one-sixth of such profit must be allocated to wagers on the horse finishing in a dead heat for third with such field or entry.~~

~~f.—In the event only two horses finish, the show pool, if any, must be distributed as if a place pool; if only one horse finishes, the place and show pools, if any, must be distributed as if a pool; if no horse finishes, all money wagered on such race must be refunded upon presentation and surrender of pari-mutuel tickets sold thereon. In the event no show ticket is sold on a horse which finishes first, or second, or third, then, the horse which finished fourth shall replace that horse in the distribution of wager in the show pool.~~

~~5.—**Daily double pool.** The amount wagered on the winning combination, such being the horse or betting interest which finishes first in the first daily double race, is deducted from the net pool to determine the profit; the profit is divided by the amount wagered on the winning combination, such quotient being the profit per dollar wagered on the winning daily double combination; payoff includes the amount wagered and profit thereon.~~

~~a.—In the event of a dead heat for first involving two different betting interests, in one of the two daily double races, the daily double pool is distributed as if a place pool, with half the profit allocated to wagers combining the single winner of one daily double race and of the betting interests involved in the dead heat in the other daily double race, with the other half of the profit allocated to wagers combining the single winner of~~

~~one daily double race and the other betting interest involved in the dead heat in the other daily double race.~~

~~b. In the event of dead heats for first involving different betting interests in each of the daily double races, resulting in four, or six, or nine, winning combinations for proportionate allocation for each such winning daily double wager.~~

~~c. In the event no daily double ticket is sold combining the horse or betting interest which finishes first in one of the daily double races, the daily double pool is distributed as if a win pool with the profit allocated to the wagering combination which includes the horse or betting interest which finished first in one of the daily double races.~~

~~d. In the event no daily double ticket is sold combining the horses or betting interest which finished first in both the first and second race of the daily double, then the winning combination for distribution of the daily double profit must be that combining the horses or betting interests which finished second in each of the daily double races.~~

~~e. If after daily double wagering has commenced and a horse not coupled with another as a betting interest in the first race of the daily double is excused by the stewards or is prevented from racing because of failure of the starting gate to open properly, then daily double wagers combining such horse must be deducted from the daily double pool and refunded upon presentation and surrender of daily double tickets thereon.~~

~~f. If, prior, to closing of the daily double wagering, a scheduled starter in the second half on the daily double which is not coupled in the betting with another horse is excused by the stewards, then daily double wagers combining such horse must be deducted from the daily double pool and refunded upon presentation and surrender of daily double tickets thereon.~~

~~g.—If after the first race of the daily double has been run, and a horse not coupled with another as a betting interest in the second race of the daily double is excused by the stewards or prevented from racing because of failure of the starting gate door to open properly, then daily double wagers combining the winner of the first daily double race with such horses prevented from racing in the second daily double race must be allocated consolation payoffs.~~

~~h.—Consolation daily double payoffs must be determined by dividing the net daily double pool by the amount wagered combining the winner of the first daily double race with every horse or betting interest scheduled to start in the second daily double race, such quotient being the consolation payoff per dollar wagered combining the winner of the first daily double with such horse prevented from riding in the second daily double race. Such consolation payoffs must be deducted from the net daily double pool before calculation and allocation of wagers on the winning daily double combination.~~

~~i.—If for any reason the first daily double race is canceled or declared "no race" by the stewards, then the entire daily double pool must be refunded upon presentation and surrender of daily double tickets thereon. If for any reason the second daily double race is canceled or declared "no race" by the stewards after the first daily double race is declared official, then the net daily double pool must be distributed to wagering combinations which include the horse or betting interest which finished first in the first daily double race.~~

~~j.—If no daily double ticket is sold requiring distribution, then the entire daily double pool must be refunded upon presentation and surrender of daily double tickets thereon.~~

~~6.—**Quinella pool.** The amount wagered on the winning combination, such being the first two finishers irrespective of which horse finishes first and~~

~~which horse finishes second, is deducted from the net pool to determine the profit; the profit is divided by the amount wagered on the winning~~

winning quinella combination; payoff includes the amount wagered and profit thereon.

a. ~~In the event of a dead heat for first: between horses involving two different betting interests, the net quinella pool is distributed as if no dead heat occurred; if between horses involving three different betting interests, the net quinella pool is distributed as if a show pool and is allocated to wagers combining any of the three horses~~

~~finishing in a dead heat for first.~~

b. ~~In the event of a dead heat for second: between horse involving two different betting interests, the net quinella pool is distributed as if a place pool and is allocated to wagers combining the first finisher with either horse finishing in a dead heat for second; if between horses involving three different betting interests, the net quinella pool is distributed as if a show pool, and allocated to wagers combining the first horse with each of the three horses~~

~~finishing in a dead heat for second.~~

c. ~~In the event horses representing a single betting interest finish first and second, the net quinella pool must be allocated to wagers combining such single betting interest with the horse or betting interest which finishes third.~~

d. ~~In the event no quinella ticket is sold combining:~~

~~(1) The first finisher with one of the horses finishing in a dead heat for second, then the net quinella pool is allocated to wagers combining the first finisher with the other horse finishing in a dead heat for second.~~

~~(2) The second finisher with either of the horses finishing in a dead heat for second, then the net quinella pool is allocated to wagers combining the two horses which finished in the dead heat for second.~~

~~(3) The first finisher with either of the horses finishing in a dead heat for second or combining the two horses which~~

~~finished in a dead heat for second, then the net quinella pool is distributed as if a show pool and is allocated to wagers combining any of the first three finishers with any other horses.~~

~~(4) The first two finishers, then the net quinella pool must be distributed as if a place pool and is allocated to wagers combining the first finisher with any other horses, and wagers combining the second finisher with any other horse.~~

~~(5) Horses or betting interest as would require distribution, then the entire quinella pool must be refunded upon presentation and surrender of quinella tickets thereon.~~

~~7. **Exacta pool.** The exacta pool is a contract by the purchaser of a ticket combining two horses in a single race, selecting the two horses that will subsequently finish first and second in that race. Payment of the ticket may be made only to the purchaser who has selected the same order of finish as officially posted.~~

~~a. The exacta is not a parlay and has no connection with or relation to the win, place, and show betting and will be calculated as an entirely separate pool.~~

~~b. If no ticket is sold on the winning combination of an exacta pool, the net pool must be distributed equally between holders of tickets selecting the winning horse to finish first or holders of tickets selecting the second place horse to finish second or both.~~

~~c. If no ticket is sold that would require distribution of an exacta pool to winners as above defined, the association shall make a complete and full refund of exacta pool.~~

~~d. In case of a dead heat between two horses for first place, the net exacta pool must be calculated and distributed as a place pool to holders of tickets of the winning combinations. In case of a dead heat between two horses for second place, the exacta pool must be figured as a place pool, the holders of tickets combining the winning horse and the two horses finishing second participating in~~

the payoff.

e. ~~In the event of a dead heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool must be calculated as a win pool and distributed to those holding tickets on the other winning combination. If no tickets combine the winning horse with either of the place horses in the dead heat, the exacta pool must be calculated and distributed as a place pool to holders of tickets representing any interest in the net pool.~~

f. ~~In the event of an entry finishing first and second, the net exacta pool must be distributed to holders of tickets selecting the entry to win combined with the horse finishing third.~~

8. ~~**Trifecta pool.** The trifecta pool is a contract by the purchaser of a ticket combining three horses in a single race that will subsequently finish first, second, and third in that race. Payment of the ticket may be made only to the purchaser who has selected the same order of finish as officially posted.~~

a. ~~The trifecta is not a parlay and has no connection with the relation to the win, place, and show betting and will be calculated as an entire separate pool.~~

b. ~~If no ticket is sold on the winning combination of the trifecta pool, the net pool must be distributed in that order. If no ticket is sold combining the win and place finish then that pool must be distributed to the holders of tickets selecting the winner. If less than three horses finish the payoff will be made to holders of tickets selecting the finishing horses in order, ignoring the balance of the selection.~~

c. ~~If no ticket is sold that would require distribution of the net trifecta pool to a winner as above defined, the association shall make a full refund of the trifecta pool.~~

d. ~~In the event of a dead heat or dead heats all trifecta tickets selecting the correct order of finish counting a horse in a dead heat as finishing in either position dead heated must be winning tickets. The payoff will be calculated as a~~

~~place pool.~~

~~e. In the event of a scratch in the trifecta, no exchanges will be made.~~

~~All tickets which include the scratched horse are eliminated from further participation of the trifecta pool and will be refunded.~~

~~9. **Pick (n) pools.**~~

~~a. The pick (n) requires selection of the first place finisher in each of a designated number of contests. The association must obtain written approval from the commission concerning the scheduling of pick (n) contests, the designation of one of the methods prescribed in subdivision b, and the amount of any cap to be set on the carryover. Any changes to the approved pick (n) format require prior approval from the commission.~~

~~b. The pick (n) pool shall be apportioned under one of the following methods:~~

~~(1) Method 1, pick (n) with carryover. The net pick (n) pool and carryover, if any, shall be distributed as a single price pool to those who selected the first place finisher in each of the pick (n) contests, based upon the official order of finish. If there are no such wagers, then a designated percentage of the net pool shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of pick (n) contests; and the remainder shall be added to the carryover.~~

~~(2) Method 2, pick (n) with minor pool and carryover. The major share of the net pick (n) pool and the carryover, if any, shall be distributed to those who selected the first place finisher in each of the pick (n) contests, based upon the official order of finish. The minor share of the net pick (n) pool shall be distributed to those who selected the first place finisher in the second greatest number of pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first place finisher of all pick (n) contests, the minor who selected the first place finisher in the greatest number of pick (n) contests; and the major share shall be added to the carryover.~~

~~(3) Method 3, pick (n) with no minor pool and no carryover. The net pick (n) pool~~

~~shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of pick (n) contests, based upon the official order of finish. If there are no winning wagers, the pool is refunded.~~

~~(4) Method 4, pick (n) with minor pool and no carryover. The major share of the net pick (n) pool shall be distributed to those who selected the first place finisher in the greatest number of pick (n) contests, based upon the official order of finish. The minor horse of the pick (n) pool shall be distributed to those who selected the first place finisher in the second greatest number of pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first place finisher in a second greatest number of pick (n) contests, the minor share of the net pick (n) pool shall be combined with the major share for distribution as a single price pool. If there are no winning wagers, the pool is refunded.~~

~~(5) Method 5, pick (n) with minor pool and no carryover. The major share of net pick (n) pool shall be distributed to those who selected the first place finisher in each of the pick (n) contests, based upon the official order of finish. The minor place finisher in the second greatest number of pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first place finisher in all pick (n) contests, the entire net pick (n) pool shall be distributed as a single price pool to those who selected the first place finisher in the greatest number of pick (n) contests. If there are no wagers selecting the first place finisher in a second greatest contest, the minor share of the net pick (n) pool shall be combined with the major share for distribution as a single price pool to those who selected the first place finisher in each of the pick (n) contests. If there are no winning wagers, the pool is refunded.~~

~~(6) Method 6, pick (n) with minor pool, jackpot pool, major carryover and jackpot carryover. Predetermined percentages of the net pick (n) pool shall be set aside as a major pool, minor pool, and jackpot pool. The major share of the net pick (n) pool and the major carryover, if any, shall be distributed to those who~~

~~selected the first place finisher of each of the pick (n) contests, based on the official order of finish. If there are no tickets selecting the first place finisher in each of the pick (n) contests, the major net pool shall be added to the major carryover. If there is only one single ticket selecting the first place finisher of each of the pick (n) contests, based on the official order of finish, the jackpot share of the net pick (n) pool and the jackpot carryover, if any, shall be distributed to the holder of that single ticket, along with the major net pool and the major carryover, if any. If more than one ticket selects the first place finisher of each of the pick (n) contests the jackpot net pool shall be added to the jackpot carryover. The minor share of the net pick (n) pool shall be distributed to those who selected the first place finisher of the second greatest number of pick (n) contests, based on the official order of finish. If there are no wagers selecting the first place finisher of all pick (n) contests, the minor net pool of the pick (n) pool shall be distributed as a single price pool to those who selected the first place finisher of the greatest number of pick (n) contests.~~

~~(7) Method 7, pick (n) with no minor pool and carryover. The net pick (n) pool and carryover, if any, shall be distributed as a single price pool to those who selected the first place finisher in each of the pick (n) contests, based on the official order of finish. If there are no such wagers, the net pick (n) pool shall be added to the carryover.~~

~~6. If there is a dead heat for the first in any pick (n) contests involving: (1)
—— Contestants representing the same betting interest, the pick (n) pool shall be distributed as if no dead heat occurred.~~

~~(2) Contestants representing two or more betting interests, the pick (n) pool shall be distributed as a single price pool with each winning wager receiving an equal share of the profit.~~

~~d. Should a betting interest in any of the pick (n) contests be scratched, the actual favorite, as evidenced by total amounts wagered in the win pool at the host association for the contest as the close of wagering on that contest, shall be substituted for the scratch betting interest for all purposes, including pool~~

~~calculations. In the event that the win pool total for two or more favorites is identical, the substitute selection shall be the betting interest with the lowest program combinations with substituted betting interests which became winners as a result to the substitution, in addition to the normal winning combination.~~

~~e. The pick (n) pool shall be canceled and all pick (n) wagers for the individual performance shall be refunded if:~~

~~(1) All three contests included as part of a pick 3 are canceled or declared no contest.~~

~~(2) At least three contests included as part of a pick 4, pick 5, or pick 6 are canceled or declared no contest.~~

~~(3) At least four contests included as part of a pick 7, pick 8, or pick 9 are canceled or declared no contest.~~

~~(4) At least five contests included as part of a pick 10 are canceled or declared no contest.~~

~~f. If at least one contest included as part of a pick (n) is canceled or declared no contest, but not more than the number specified in subdivision e, the net pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of pick (n) contests for that performance. Such distribution shall include the portion ordinarily retained for the pick (n) carryover but not the carryover from previous performances.~~

~~g. The pick (n) carryover may be capped as designated level approved by the commission so that if, at the close of any performance, the amount in the pick (n) carryover equals or exceeds the designated cap, the pick (n) carryover will be frozen until it is won or distributed under other provisions of this rule. After the pick (n) carryover is frozen, one hundred percent of the net pool, part of which ordinarily would be added to the pick (n) carryover, shall be distributed to those whose selection~~

~~finished first in the greatest number of pick (n) contests for that performance.~~

~~h.— A written request for permission to distribute the pick (n) carryover on a specific performance may be submitted to the commission. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.~~

~~i.— Should the pick (n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first-place finisher in each of the pick (n) contests, the entire pool shall be distributed as a single price pool to those whose selection finished first in the greatest number of pick (n) contests. The pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:~~

~~(1) Upon written approval from the commission as provided in subdivision h.~~

~~(2) Upon written approval from the commission when there is a change in the carryover cap, a change from one type of pick (n) wagering to another or when the pick (n) is discontinued.~~

~~(3) On the closing performance of the meet or split meet.~~

~~j.— If for any reason, the pick (n) carryover must be held over to the corresponding pick (n) pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the commission. The pick (n) carryover plus accrued interest shall then be added to the net pick (n) pool of the following meet on a date and performance so designated by the commission.~~

~~k.— With the written approval of the commission, the association may contribute to the pick (n) carryover a sum of money up to the amount of any designated cap.~~

~~l.— Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of~~

~~tickets sold, or number of live tickets remaining is strictly prohibited. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.~~

~~m. The association may suspend previously approved pick (n) wagering with the prior approval of the commission. Any carryover shall be held until the suspended pick (n) wagering is reinstated. An association may request approval of a pick (n) wager or separate wagering pool for specific performances.~~

~~10. **Twin trifecta pools.**~~

~~a. The twin trifecta requires selection of the first three finishers, in their exact order, in each of two designated contests. Each winning ticket for the first twin trifecta contest must be exchanged for a free ticket on the second twin trifecta contest in order to remain eligible for the second-half twin trifecta pool. Such tickets may be exchanged only at attended ticket windows prior to the second twin trifecta contest. Winning first-half twin trifecta wagers will receive both an exchange and a monetary payout. Both of the designated twin trifecta contests shall be included in only one twin trifecta pool.~~

~~b. After wagering closes for the first half of the twin trifecta and commissions have been deducted from the pool, the net pool shall then be divided into separate pools: the first-half twin trifecta pool and the second-half twin trifecta pool.~~

~~c. In the first twin trifecta contest only, winning wagers shall be determined using the following precedence, based upon the official order of finish for the first twin trifecta contest:~~

~~(1) As a single price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers; then~~

~~(2) As a single price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers; then~~

~~(3) As a single price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers; then~~

~~(4) The entire twin trifecta pool shall be refunded on twin trifecta wagers for that contest and the second half shall be canceled.~~

~~d. If no first half twin trifecta ticket selects the first three finishers of that contest in exact order, winning ticket holders shall not receive any exchange tickets for the second half twin trifecta pool. In such case, the second half twin trifecta pool shall be retained and added to any existing twin trifecta carryover pool.~~

~~e. Winning tickets from the first half of the twin trifecta shall be exchanged for tickets selecting the first three finishers of the second half of the twin trifecta. The second half twin trifecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish for the second twin trifecta contest:~~

~~(1) As a single price pool, including any existing carryover moneys, to those whose combination finished in correct sequence as the first three betting interests; but if there are no such tickets; then~~

~~(2) The entire second half twin trifecta pool for the contest shall be added to any existing carryover moneys and retained for the corresponding second half twin trifecta pool of the next consecutive performance.~~

~~f. If a winning first half twin trifecta ticket is not presented for cashing and exchange prior to the second half twin trifecta contest, the ticket holder may still collect the monetary value associated with the first half twin trifecta pool but forfeits all rights to any distribution of the second half twin trifecta pool, except where expressly provided in subdivision m.~~

~~g. Coupled entries and mutual fields may be permitted in twin trifecta contests with the prior written approval of the commission.~~

~~h.— Should a betting interest in the first half of the twin trifecta be scratched, those twin trifecta wagers including the scratched betting interest shall be refunded.~~

~~i.— Should a betting interest in the second half of the twin trifecta be scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting interest.~~

~~j.— If, due to a late scratch, the number of betting interests in the second half of the twin trifecta is reduced to fewer than the minimum, all exchange tickets and outstanding first half winning tickets shall be entitled to the second half twin trifecta pool for that contest as a single price pool, but not the twin trifecta carryover.~~

~~k.— If there is a dead heat or multiple dead heats in either the first half or second half of the twin trifecta, all twin trifecta wagers selecting the correct order of finish, counting a betting interest involved in a dead heat as finishing in any dead-heated position, shall be a winner. In the case of a dead heat occurring in:~~

~~(1) The first half of the twin trifecta, the payout shall be calculated as a profit split.~~

~~(2) The second half of the twin trifecta, the payout shall be calculated as a single price pool.~~

~~l.— If either of the twin trifecta contests are canceled prior to the first twin trifecta contest or the first twin trifecta contest is declared no contest, the entire twin trifecta pool shall be refunded on twin trifecta wagers for the contest and the second half shall be canceled.~~

~~m.— If the second half twin trifecta contest is canceled or declared no contest, all exchange tickets and outstanding first half winning twin trifecta tickets shall be entitled to the net twin trifecta pool for that contest as a single price pool, but not~~

~~twin trifecta carryover. If there are no such tickets, the net twin trifecta pool shall be distributed as described in subdivision c.~~

~~n. The twin trifecta carryover may be capped at a designated level approved by the commission so that if, at the close of any performance, the amount in the twin trifecta carryover equals or exceeds the designated cap, the twin trifecta carryover will be frozen until it is won or distributed under other provisions of this rule. After the twin trifecta carryover is frozen, one hundred percent of the net twin trifecta pool for each individual contest shall be distributed to winners of the first half of the twin trifecta pool.~~

~~o. A written request for permission to distribute the twin trifecta carryover on a specific performance may be submitted to the commission. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.~~

~~p. Should the twin trifecta carryover be designated for distribution on a specified date and performance, the following precedence will be followed in determining winning tickets for the second half of the twin trifecta after completion of the first half of the twin trifecta:~~

~~(1) As a single price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers; then~~

~~(2) As a single price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers; then~~

~~(3) As a single price pool to those whose combination correctly selected the first place betting interest only; but if there are no such wagers; then~~

~~(4) As a single price pool to holders of valid exchange tickets.~~

~~(5) As a single price pool to holders of outstanding first-half winning tickets.~~

~~q. Contrary to subdivision d, during a performance designated to distribute~~

~~the twin trifecta carryover, exchange tickets will be issued for those combinations selecting the greatest number of betting interests in their correct order of finish for the first half of the twin trifecta. If there are no wagers correctly selecting the first place, second place, and third place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first place and second place betting interests. If there are no wagers correctly selecting the first place and second place~~

~~finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first place betting interest only in the first half of the twin trifecta, all first place tickets will become winners and will receive one hundred percent of that day's net twin trifecta pool and any existing twin trifecta carryover.~~

~~f. The twin trifecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:~~

~~(1) Upon written approval from the commission as provided in subdivision e.~~

~~(2) Upon written approval from the commission when there is a change in the carryover cap or when the twin trifecta is discontinued.~~

~~(3) On the closing performance of the meet or split meet.~~

~~s. If, for any reason, the twin trifecta carryover must be held over to the corresponding twin trifecta pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the commission. The twin trifecta carryover plus accrued interest shall then be added to the second-half twin trifecta pool of the following meet on a date and performance so designated by the commission.~~

~~t. Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of valid exchange tickets is prohibited. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.~~

~~u. The association must obtain written approval from the commission concerning the scheduling of twin trifecta contests, the percentages of the net pool added to the first-half pool and second-half pool, and the amount of any cap to be set on the carryover. Any changes to the approved twin trifecta format require prior approval from the commission.~~

~~11. **Tri-superfecta pools.**~~

~~a. The tri-superfecta requires selection of the first three finishers, in the exact order, in the first of two designated contests and the first four finishers, in exact order, in the second of the two designated contests. Each winning ticket for the first tri-superfecta contest must be exchanged for a free ticket on the second tri-superfecta contest in order to remain eligible for the second-half tri-superfecta pool. Such tickets may be exchanged only at attended ticket windows prior to the second tri-superfecta contest. Winning first-half tri-superfecta tickets will receive both an exchange and a monetary payout. Both of the designated tri-superfecta contests shall be included in only one tri-superfecta pool.~~

~~b. After wagering closes for the first half of the tri-superfecta and commissions have been deducted from the pool, the net pool shall then be divided into two separate pools, the first-half tri-superfecta pool and the second-half tri-superfecta pool.~~

~~c. In the first tri-superfecta contest only, winning tickets shall be determined using the following precedence, based upon the official order of finish for the first tri-superfecta contest:~~

~~(1) As a single price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers; then~~

~~(2) As a single price pool to those whose combination included, in correct sequence as the first two betting interests; but if there are no such wagers; then~~

~~(3) As a single price pool to those whose combination correctly selected the first-place betting interests, but if there are no such wagers; then~~

~~(4) The entire tri-perfecta pool shall be refunded on tri-perfecta wagers for that contest and the second half shall be canceled.~~

~~d. If no first half tri-perfecta ticket selects the first three finishers of that contest in exact order, winning ticket holders shall not receive any exchange tickets for the second half tri-perfecta pool. In such case, the second half tri-perfecta pool shall be retained and added to any existing tri-perfecta carryover pool.~~

~~e. Winning tickets from the first half of the tri-perfecta shall be exchanged for tickets selecting the first four finishers of the second half of the tri-perfecta. The second half tri-perfecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish for the second tri-perfecta contest:~~

~~(1) As a single price pool, including any existing carryover moneys, to those whose combination finished in correct sequence as the first four betting interests; but if there are no such tickets; then~~

~~(2) The entire second half tri-perfecta pool for that contest shall be added to any existing carryover moneys and retained for the corresponding second half tri-perfecta pool of the next performance.~~

~~f. If a winning first half tri-perfecta ticket is not presented for cashing and exchange prior to the second half tri-perfecta contest, the ticket holder may still collect the monetary value associated with the first half tri-perfecta pool but forfeits all rights to any distribution of the second half tri-perfecta pool, except where expressly provided in subdivision m.~~

~~g. Couple entries and mutuel fields may be permitted in tri-perfecta contests with the prior written approval of the commission.~~

~~h. Should a betting interest in the first half of the tri-perfecta be scratched,~~

~~those tri-superfecta tickets, including the scratched betting interest shall be refunded.~~

~~i.— Should a betting interest in the second half of the tri-superfecta be scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting interest.~~

~~j.— If, due to a late scratch, the number of betting interests in the second half of the tri-superfecta is reduced to fewer than the minimum, all exchange tickets and outstanding first-half winning tickets shall be entitled to the second-half tri-superfecta pool for that contest as a single price pool, but not the tri-superfecta carryover.~~

~~k.— If there is a dead heat or multiple dead heats in either the first half or second half of the tri-superfecta, all tri-superfecta tickets selecting the correct order of finish—counting a betting interest involved in a dead heat as finishing in any dead-heated position, shall be a winner, in the case of a dead heat occurring in:~~

~~(1) The first half of the tri-superfecta, the payout shall be calculated as a profit split.~~

~~(2) The second-half of the tri-superfecta, the payout shall be calculated as a single price pool.~~

~~l.— If either of the tri-superfecta contests are canceled prior to the first tri-superfecta contest or the first tri-superfecta contest is declared no contest, the entire tri-superfecta pool shall be refunded on tri-superfecta wagers for that contest and the second-half shall be canceled.~~

~~m.— If the second-half of the tri-superfecta contest is canceled or declared no contest, all exchange tickets and outstanding first-half winning tri-superfecta tickets shall be entitled to the net tri-superfecta pool for that contest as a single price pool, but~~

~~not the tri-perfecta carryover. If there are no such tickets, the net tri-perfecta pool shall be distributed as described in subdivision c.~~

~~n. The tri-perfecta carryover may be capped at a designated level approved by the commission so that if, at the close of any performance, the amount in the tri-perfecta carryover equals or exceeds the designated cap, the tri-perfecta carryover will be frozen until it is won or distributed under other provisions of this rule. After the second-half tri-perfecta carryover is frozen, one hundred percent of the net tri-perfecta pool for each individual contest shall be distributed to winners for the first half of the tri-perfecta pool.~~

~~o. A written request for permission to distribute the tri-perfecta carryover on a specific performance may be submitted to the commission. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.~~

~~p. Should the tri-perfecta carryover be designated for distribution on a specified date and performance, the following precedence will be followed in determining winning tickets for the second-half of the tri-perfecta after completion of the first half of the tri-perfecta:~~

~~(1) As a single price pool to those whose combination finished in correct sequence as the first four betting interests; but if there are no such wagers; then~~

~~(2) As a single price pool to those whose combination included, in correct sequence, the first three betting interests; but if there are no such wagers; then~~

~~(3) As a single price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers; then~~

~~(4) As a single price pool to those whose combination included, in correct sequence, the first place betting interests only; but if there are no such wagers; then~~

~~(5) As a single price pool to holders of valid exchange tickets.~~

~~(6) As a single price pool to holders of outstanding first-half winning tickets.~~

~~g. Contrary to subdivision d, during a performance designated to distribute the tri-superfecta carryover, exchange tickets will be issued for those combinations selecting the greatest number of betting interests in their correct order of finish for the first-half of the tri-superfecta. If there are no wagers correctly selecting the first-place, second-place, and third-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first-place and second-place betting interests. If there are no wagers correctly selecting the first-place and second-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first-place betting interest only. If there are no wagers selecting the first-place betting interest only in the first-half of the tri-superfecta, all first-half tickets will become winners and will receive one hundred percent of that day's net tri-superfecta pool and any existing tri-superfecta carryover as a single price pool.~~

~~f. The tri-superfecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:~~

~~(1) Upon written approval from the commission as provided in subdivision e.~~

~~(2) Upon written approval from the commission when there is a change in the carryover cap or when the tri-superfecta is discontinued.~~

~~(3) On the closing performance of the meet or split meet.~~

~~h. If, for any reason, the tri-superfecta carryover must be held over to the corresponding tri-superfecta pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the commission. The tri-superfecta carryover plus accrued interest shall then be added to the~~

~~second-half tri-superfecta pool of the following meet on a date and performance so designated by the commission:~~

~~t. Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of valid exchange tickets is prohibited. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.~~

~~u. The association must obtain written approval from the commission concerning the scheduling of tri-superfecta contests, the percentages of the net pool added to the first-half pool and second-half pool, and the amount of any cap to be set on the carryover. Any changes to be approved tri-superfecta format require prior approval from the commission.~~

~~12. **Twin superfecta pools.**~~

~~a. The twin superfecta requires selection of the first four finishers, in their exact order, in each of two designated contests. Each winning ticket for the first twin superfecta contest must be exchanged for a free ticket on the second twin superfecta contest in order to remain eligible for the second-half twin superfecta pool. Such tickets may be exchanged only at attended ticket windows prior to the second twin superfecta contest. Winning first-half twin superfecta tickets will receive both an exchange and a monetary payout. Both of the designated twin superfecta contests shall be included in only one twin superfecta pool.~~

~~b. After wagering closes for the first-half of the twin superfecta and commissions have been deducted from the pool, the net pool shall then be divided into two separate pools: the first-half twin superfecta pool and the second-half twin superfecta pool.~~

~~13. **Superfecta pools.**~~

~~a. The superfecta requires selection of the first four finishers in their exact order for a single contest.~~

~~b.—The net superfecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:~~

~~(1) As a single price pool to those whose combination finished in correct sequence as the first four betting interests, but if there are no such wagers; then~~

~~(2) As a single price pool to those whose combination included, in correct sequence, the first three betting interests, but if there are no such wagers; then~~

~~(3) As a single price pool to those whose combination included, in correct sequence, the first two betting interests, but if there are no such wagers; then~~

~~(4) As a single price pool to those whose combination correctly selected the first-place betting interest only, but if there are no such wagers; then~~

~~c.—If less than four betting interests finish and the contest is declared official, payouts will be made based upon the order of finish of those betting interests completing the contest. The balance of any selection beyond the number of betting interests completing the contest shall be ignored.~~

~~d.—If there is a dead heat for first involving:~~

~~(1) Contestants representing the four or more betting interests, all of the wagering combinations selecting the four betting interests which correspond with any of the betting interests involved in the dead heat shall share in a profit split.~~

~~(2) Contestants representing three betting interests, all of the wagering combinations selecting the three dead-heated betting interests, irrespective of order, along with the fourth-place betting interest shall share in a profit split.~~

~~(3) Contestants representing two betting interests, both of the wagering combinations selecting the two dead-heated betting interests, irrespective of order, along with the third-place and fourth-place betting interests shall share in a profit split.~~

~~e.—If there is a dead heat for second involving:~~

~~(1) Contestants representing three or more betting interests, all of the wagering combinations correctly selecting the winner combined with any of the three betting interests involved in the dead heat for second share in a profit split.~~

~~(2) Contestants representing two betting interests, all of the wagering combinations correctly selecting the winner, the two dead-heated betting interests, irrespective of order, and the fourth-place betting interests shall share in a profit split.~~

~~f. If there is a dead heat for third, all wagering combinations correctly selecting the first two finishers, in correct sequence along with any two of the betting interests involved in the dead heat for third shall share in a profit split.~~

~~g. If there is a dead heat for fourth, all wagering combinations correctly selecting the first three finishers, in correct sequence, along with any of the betting interests involved in the dead heat for fourth shall share in a profit split.~~

~~h. Coupled entries and mutual fields shall be prohibited in superfecta contests.~~

~~14. Twin quinella pools.~~

~~a. The twin quinella requires selection of the first two finishers, irrespective of order, in each of two designated contests. Each winning ticket for the first twin quinella contest must be exchanged for a free ticket on the second twin quinella contest in order to remain eligible for the second-half twin quinella pool. Such tickets may be exchanged only at attended ticket windows prior to the second twin quinella contest. Both of the designated twin quinella contests shall be included in only one twin quinella pool.~~

~~b. In the first twin quinella contest only, winning wagers shall be determined using the following precedence, based upon the official order of finish for the first twin quinella contest:~~

~~(1) If coupled entry of mutual field finishes as the first two~~

~~finishers, those who selected the coupled entry or mutual field combined with the next separate betting interest in the official order of finish shall be winners; otherwise~~

~~(2) Those whose combination finished as the first two betting interests shall be winners, but if there are no such wagers; then~~

~~(3) Those whose combination included either the first place or second place finisher shall be winners, but if there are no such wagers on one of those two finishers; then~~

~~(4) Those whose combination included the one covered betting interest included within the first two finishers shall be winners, but if there are no such wagers; then~~

~~(5) The entire pool shall be refunded on twin quinella wagers for that contest.~~

452. ~~Mad scramble pool~~ Pari-Mutuel Plus.

- a. The ~~mad scramble~~Pari-Mutuel Plus pool requires selection of the ~~official first six place~~order of any designated number of finishers, in their exact positions, in designated contests. The service provider must obtain written approval from the commission ~~and site operator~~ concerning the scheduling of ~~the mad scramble~~Pari-Mutuel Plus contests and designate the percentage of the amount of carryover. The ~~mad scramble~~Pari-Mutuel Plus pool consists of a ~~daily~~ pool and jackpot carryover and must have predetermined percentages set aside for the ~~daily~~ pool designated to winners who selected the ~~first six place~~designated number of finishers. The ~~daily~~ pool will be distributed to the winners who selected the ~~first six place~~ finishers, in their exact positions, and they will then be eligible for the random drawing of the randomly generated numbers assigned to the wager's ticket to be drawn for the awarding of the jackpot pool. To be awarded the jackpot pool, the winner of the ~~daily~~ pool must have the matching randomly generated number on the person's ticket that is drawn randomly from the group of ~~sixty designated~~ numbers. Any changes to the approved ~~mad scramble~~Pari-Mutuel Plus format require prior approval from the commission ~~and the site operator~~.

b. Unless otherwise stated, the major share of the net ~~mad-scramble~~Pari-Mutuel Plus pool shall be distributed as a single price pool to those who selected ~~all six~~ the designated number of finishers, in exact positions, based upon the official order of finish.

c. The ~~Pari-Mutuel Plus~~mad-scramble~~Pari-Mutuel Plus~~ pool shall be apportioned with no minor pool and carryover by choosing the ~~first six~~ designated number of horses in exact order of finish. The service provider must make a written request to the commission ~~and the site operator~~ for approval to offer consolation and minor pools in the ~~mad-scramble~~Pari-Mutuel Plus pool, and be granted approval before implementation.

(1) The net ~~mad-scramble~~Pari-Mutuel Plus pool shall be distributed in accordance with the method for distributing the major share to all winners who selected the ~~first six place~~ designated number of finishers, in exact positions.

(2) If there are no wagers qualifying for the major share, the net major share shall be added to the carryover.

d. If there is a dead heat in the ~~mad-scramble~~Pari-Mutuel Plus pool involving:

(1) Contestants representing the same betting interest, the ~~daily~~ pool will be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the ~~daily~~ pool will be distributed as a single price pool with each winning wager receiving an equal share of the profit.

e. The ~~mad-scramble~~Pari-Mutuel Plus pool shall be canceled and all ~~mad-scramble~~Pari-Mutuel Plus wagers for the individual performance shall be refunded under the following conditions:

- (1) If the ~~mad-scramble~~Pari-Mutuel Plus contests are canceled or declared no contest prior to the first ~~mad-scramble~~Pari-Mutuel Plus contest being declared official, the entire ~~mad-scramble~~Pari-Mutuel Plus pool shall be refunded on wagers for those contests.
- (2) If all remaining ~~mad-scramble~~Pari-Mutuel Plus contests are canceled or declared no contests after the first ~~mad-scramble~~Pari-Mutuel Plus contest is declared official, the entire net ~~mad-scramble~~Pari-Mutuel Plus pool, but not the ~~mad-scramble~~Pari-Mutuel Plus carryover, shall be distributed as a single price pool to wagers selecting the winning combination in the ~~mad-scramble~~Pari-Mutuel Plus contest. However, if there are no wagers selecting the winning combination in the ~~mad-scramble~~Pari-Mutuel Plus contest, the entire pool shall be refunded on wagers for those contests.

f. Mandatory distribution.

- (1) The service provider must submit a written request to the commission ~~and the site operator~~ for permission to distribute the ~~mad-scramble~~Pari-Mutuel Plus carryover on a specific performance. The request to the commission ~~and site operator~~ shall contain justification for the mandatory distribution, an explanation of the benefit to be derived, and the intended date and performance of the distribution. The service provider must notify the commission ~~and site operator~~ at least ten days prior to implementation. If the ~~mad-scramble~~Pari-Mutuel Plus pool cannot be distributed during a designated performance, the mandatory distribution shall resume on the next approved mandatory distribution performance.
- (2) If the ~~mad-scramble~~Pari-Mutuel Plus carryover is designated for distribution on a specific date and performance, and if there are no wagers qualifying for

the major share, which is sixty-five percent of the pool, then the following precedence shall be followed in determining the winning wagers for the ~~mad-scramble~~Pari-Mutuel Plus pool and carryover pool:

- (a) The major share and the ~~mad-scramble~~Pari-Mutuel Plus carryover shall be distributed as a single price pool to those who selected ~~all six the~~designated number of finishers, in exact positions, based upon the official order of finish, and who have received a matching random number selected through a drawing of one of ~~sixty a~~designated group of numbers, minus the service provider or racetrack take-out.
- (b) The major share and the ~~mad-scramble~~Pari-Mutuel Plus carryover shall be distributed as a single price pool to those who correctly selected the most finishers, in their exact positions, based upon the official order of finish.
- g. If for any reason, the ~~mad-scramble~~Pari-Mutuel Plus carryover must be held over to the corresponding ~~mad-scramble~~Pari-Mutuel Plus pool of a subsequent ~~meet~~Pari-Mutuel Plus contest, the carryover shall be deposited in an interest-bearing account approved by the commission ~~and the site operator~~. The ~~mad-scramble~~Pari-Mutuel Plus carryover plus accrued interest shall then be added to the ~~mad-scramble~~Pari-Mutuel Plus pool of the following ~~meet on a~~ date and performance so designated by the commission ~~and approved by the~~ ~~site operator~~.
- h. With written approval of the commission ~~and the site operator~~, the service provider may contribute to the ~~mad-scramble~~Pari-Mutuel Plus carryover a sum of money to be designated by the service provider or the racetrack. Money~~s~~ contributed to the pool may be withdrawn when the pool accumulation totals the money~~s~~ contributed.

- i. Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is strictly prohibited. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.

- j. The service provider may suspend previously approved ~~mad-scramble~~Pari-Mutuel Plus wagering with prior approval from the commission ~~and upon notification to the site operator~~. Any carryover shall be held until the suspended ~~mad-scramble~~Pari-Mutuel Plus wagering is reinstated. A service provider may request approval of the ~~mad-scramble~~Pari-Mutuel Plus wager or a separate ~~mad-scramble~~Pari-Mutuel Plus wagering pool for specific performances.

463. Pick 1-2-3 pool. The pick 1-2-3 pool requires selection of the first three finishers, irrespective of order, in each of three designated contests. Payment of the ticket may be made only to the purchaser who has selected the qualifying finishers in three designated races.

- a. Pick 1-2-3 requires a selection of a combination of either nine, eight, seven, or six, first, second, and third place finishers, in any order, in three consecutive races that are designated as pick 1-2-3 races to qualify for a payout. There will be no monetary award for the winning combination for winning the first pick 1-2-3 race or any combination of five or less qualifiers in each of the three races.

- b. The service provider must obtain written approval from the commission ~~and site operator~~ concerning the scheduling of the pick 1-2-3 contests, the designation of qualifying races, and the cap to be set on the carryover. Any changes to the pick 1-2-3 wager format requires prior approval from the commission ~~and the site operator~~.

- c. The pick 1-2-3 pool and carryover, if any, shall be distributed as a single price pool to those who selected the winning combination of the top

three finishers in three races, or a decreasing scale of qualifiers eight of nine, seven of nine, or six of nine, in the following payout method:

- (1) Fifty percent of net pool and accumulated jackpot divided between players selecting nine of nine.
- (2) Thirty percent of net pool divided between players selecting eight of nine.
- (3) Fifteen percent of net pool divided between players selecting seven of nine.
- (4) Five percent of net pool divided between players selecting six of nine.
- (5) If there are no winning wagers for the nine of nine winners, then fifty percent of the net pool carryover will be added to the next pick 1-2-3 race in the race meet schedule.
- (6) If there are no winning wagers for the eight of nine winners, then thirty percent of the net pool carryover will be added to the next pick 1-2-3 race in the race meet schedule.
- (7) If there are no winning wagers for the seven of nine winners, then fifteen percent of the net pool carryover will be added to the next pick 1-2-3 race in the race meet schedule.
- (8) If there are no winning wagers for the six of nine winners, then five percent of the net pool carryover will be added to the next pick 1-2-3 race in the race meet schedule.

d. Dead heats. In the event of a dead heat in any of the position pick 1-2-3 contests based upon the official order of finish for the purposes of determining whether a wager correctly selected the finishers in exact position, contestants in a dead heat are deemed to jointly occupy both or all positions in the dead heat. For example, if five and six finish in a dead heat for first, then a selection of five for either first or second is

correct and a selection of six for either first or second is also correct.

e. Scratches.

(1) If, due to a late scratch, the number of betting interests in a contest of the pick 1-2-3 pool is reduced to fewer than six contestants, for the purposes of the pick 1-2-3 pool only, such contests shall be declared no contest and the pick 1-2-3 pool shall be declared a canceled contest.

(2) Should a betting interest in any contest of the pick 1-2-3 pool be scratched or excused from the contest, no more wagers shall be accepted selecting that scratched contestant.

(3) Scratch contestant losers:

(a) The scratch contestant is deemed to be a loser, for the purposes of the pick 1-2-3 pool only.

(b) Other correctly selected finishers in the pick 1-2-3 shall continue to count toward winning, as usual.

f. Canceled contests.

(1) If any of the pick 1-2-3 contests are canceled or declared no contest prior to the first pick 1-2-3 contest being declared official, the daily pick 1-2-3 pool shall be refunded on the pick 1-2-3 wagers for those contests.

(2) If all remaining pick 1-2-3 contests are canceled or declared no contest after the first pick 1-2-3 contest is declared official, the entire net pick 1-2-3 pool, but not the pick 1-2-3 carryover, shall be distributed as a single price pool to wagers selecting the winning combination in the first pick 1-2-3 contest. However, if there are no wagers selecting the winning combination in the first pick 1-2-3 contest, the daily pick 1-2-3 pool shall be

refunded on pick 1-2-3 wagers for those contests.

9. Mandatory distribution. The service provider must submit a written request for permission to distribute the pick 1-2-3 carryover on a specific performance to the commission ~~and site operator~~. The request shall contain justification for the mandatory distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution. The service provider must notify the commission at least ten days prior to implementation. If the pick 1-2-3 pool cannot be distributed during a designated performance, the mandatory distribution shall resume on the next approved mandatory distribution performance.

174. Pick 1-2-3-4-5 pool. Pick 1-2-3-4-5 requires selection of the first five finishers, irrespective of order, in each of three designated contests. Payment of the ticket may be made only to the purchaser who has selected the qualifying finishers in three designated races.

a. Pick 1-2-3-4-5 requires the selection of a combination of either fifteen, fourteen, thirteen, or twelve first, second, third, fourth, and fifth place finishers, in any order, in three consecutive races that are designed as pick 1-2-3-4-5 races to qualify for a payout. There will be no monetary award for the winning combination for winning the first pick 1-2-3-4-5 race or any combination of eleven or less qualifiers in each of the three races.

b. The service provider must obtain written approval from the commission ~~and the site operator~~ concerning the scheduling of the pick 1-2-3-4-5 contests, the designation of qualifying races and the cap to be set on the carryover. Any changes to the pick 1-2-3-4-5 wager format require prior approval from the commission ~~and the site operator~~.

c. The pick 1-2-3-4-5 pool and carryover, if any, shall be distributed as a single price pool to those who selected the first five finishers in three races or a decreasing scale of qualifiers fifteen of fifteen, fourteen of fifteen, thirteen of

fifteen, or twelve of fifteen in the following payout method:

- (1) Fifty percent of net pool and accumulated jackpot divided between players selecting fifteen of fifteen.
 - (2) Thirty percent of net pool divided between players selecting fourteen of fifteen.
 - (3) Fifteen percent of net pool divided between players selecting thirteen of fifteen.
 - (4) Five percent of net pool divided between players selecting twelve of fifteen.
 - (5) If there are no winning wagers for the fifteen of fifteen winners, then fifty percent of the net pool carryover will be added to the next pick 1-2-3-4-5 race in the race meet schedule.
 - (6) If there are no winning wagers for the fourteen of fifteen winners, then thirty percent of the net pool carryover will be added to the next pick 1-2-3-4-5 race in the race meet schedule.
 - (7) If there are no winning wagers for the thirteen of fifteen winners, then fifteen percent of the net pool carryover will be added to the next pick 1-2-3-4-5 race in the race meet schedule.
 - (8) If there are no winning wagers for the twelve of fifteen winners, then five percent of the net pool carryover will be added to the next pick 1-2-3-4-5 race in the race meet schedule.
- d. Dead heats. In the event of a dead heat in any of the position pick 1-2-3-4-5 contests based upon the official order of finish for the purposes of determining whether a wager correctly selected the finishers in exact position, contestants in a dead heat are deemed to jointly occupy both or all positions in the dead heat. For example, if five and six finish in a dead heat for first, then a selection of five

for either first or second is correct and a selection of six for either first or second is also correct.

e. Scratches.

(1) If, due to a late scratch, the pick 1-2-3-4-5 pool is reduced to fewer than six contestants, for the purposes of the pick 1-2-3-4-5 pool only, such contests shall be declared no contest and the pick 1-2-3-4-5 pool shall be declared a canceled contest.

(2) Should a betting interest in any contest of the pick 1-2-3-4-5 pool be scratched or excused from the contest, no more wagers shall be accepted selecting that scratched contestant.

(3) Scratch contestant losers:

(a) The scratch contestant is deemed to be a loser, for the purposes of the pick 1-2-3-4-5 pool only.

(b) Other correctly selected finishers in the pick 1-2-3-4-5 shall continue to count toward winning, as usual.

f. Canceled contests.

(1) If any of the pick 1-2-3-4-5 contests are canceled or declared no contest prior to the first pick 1-2-3-4-5 contest being declared official, the entire pick 1-2-3-4-5 pool shall be refunded on the pick 1-2-3-4-5 wagers for those contests.

(2) If all remaining pick 1-2-3-4-5 contests are canceled or declared no contest after the first pick 1-2-3-4-5 contest is declared official, the entire net pick 1-2-3-4-5 pool, but not the pick 1-2-3-4-5 carryover, shall be distributed as a single price pool to wagers selecting the winning combination in the first pick 1-2-3-4-5 contest. However, if there are no wagers selecting the winning combination in the first pick 1-2-3-4-5 contest, the entire pick 1-2-3-4-5 pool shall be refunded on pick 1-2-3-4-5 wagers for those contests.

g. Mandatory distribution. The service provider must submit a written request for permission to distribute the pick 1-2-3-4-5 carryover on a specific performance to the commission ~~and site operator~~. The request shall contain justification for the mandatory distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution. The service provider must notify the commission at least ten days prior to implementation. If the pick 1-2-3-4-5 pool cannot be distributed during a designated performance, the mandatory distribution shall resume on the next approved mandatory distribution performances.

h. Coupled entries and mutuel fields. Coupled entries and mutuel fields are not permitted in pick 1-2-3-4-5 contests.

485. 123racing Pick-n Wager©.

- a. The 123racing Pick-n Wager is a separate pari-mutuel pool wager established by the association on a designated number of races. The gross pool consists of the total amount wagered for the multiple race bet. Winning wagers are determined by the highest points totals earned after all rounds have been completed, based on cumulative mythical two dollar win, place, show wagers (a fantasy two dollar across the board wager), on one betting interest per wagering race. It is not a parlay and has no connection with or relation to other pools conducted by the association other than the utilization of live race payouts as a means of calculating players' fantasy points.
- b. A valid 123racing Pick-n Wager ticket shall be evidence of a binding contract between the holder of the ticket and the ~~association~~ **host**, and shall constitute an acceptance of 123racing Pick-n Wager provisions and rules contained in this chapter.
- c. A 123racing bet may not be retracted once it has been purchased.
- d. A 123racing Pick-n Wager may be given a distinctive name by the ~~association conducting the meeting~~ **host**, subject to commission approval, and existing license, copyrights, and patents.
- e. 123racing Pick-n Wagers shall be conducted as follows:
 - (1) Each player wagers ~~two dollars~~ into the gross pool and selects one betting interest per wagering race.

- (2) The number of races that complete the wager varies depending on the specifics of "tournament", as determined by the host racing association, but shall include no less than four races.
- (3) Each round of the "tournament" consists of a mythical ~~two-dollar~~ win, place, show wager on one betting interest per race.
- (4) Official program numbers must be used for all wagers. All players are responsible for ensuring each wager is placed correctly.
- (5) Live race payouts are used to calculate players' fantasy points totals.
- (6) As part of the announced tournament rules, and as approved by the commission, the host ~~racing association~~ may opt to cap the maximum odds on all fantasy payouts.
- (7) Each player's fantasy points will be reflected in their cumulative fantasy points totals at the end of each race.
- (8) Following a race being declared "official", the actual pari-mutuel pool payout for a fantasy ~~two-dollar~~ across-the-board wager will be translated to points and added to a player's cumulative fantasy points totals, ~~subject to any odds cap imposed under subdivision 7.~~ The host may specify a maximum number of points that can be accumulated by any one wager per contest race subject to commission approval.
 - (9) Of the bettors, the players with the highest fantasy points totals after the last leg are the "winners".
 - (10) A portion of the net pari-mutuel pool as determined in advance of the contest by the host and approved by the commission, designated the "major net pool", is distributed to the bettors scoring the top three highest scores of all players in the tournament in accordance with subdivision i.
 - (11) ~~The net pari-mutuel pool shall be distributed in accordance with the distribution schedule as set forth in the regulation, or as otherwise approved by the commission, at the request of the host racing association.~~ In addition to the major net pool, a host may designate in advance of the contest and as approved by the commission a portion of the net pari-mutuel pool for carryover as follows:
 - (a) A "perfect pick carryover pool" is carried over to subsequent contests until a bettor successfully selects the winning runners of all designated contests in the current contest, in which case the perfect pick carryover pool will be

equally divided between the bettors successfully selecting every winning runner.

(b) A “place carryover pool” is carried over to subsequent contests until a bettor successfully selects runners finishing first or second in all designated contests in the current contest, in which case the place carryover pool will be equally divided between the bettors successfully selecting runners finishing first or second in all designated contests.

(c) A “show carryover pool” is carried over to subsequent contests until a bettor successfully selects runners finishing first, second or third in all designated contests in the current contest, in which case the show carryover pool will be divided between the bettors successfully selecting runners finishing first, second or third in all designated contests.

(d) A host may designate a contest on which a perfect pick carryover pool, place carryover pool or show carryover pool is terminated and fully distributed to the best performing bettor or bettors in that contest.

- f. A fantasy 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.
- g. If a selection in any race designates a betting interest that was scratched, excused, or determined by the stewards to be a nonstarter in the race, the fantasy wager will be on the tote favorite in that race.
- h. Points for dead heats will be determined by the payouts of the live corresponding race.
- i. The takeout and its distribution for the 123racing Pick-n Wager shall be set and approved by the host regulatory commission, but shall include the distribution of the negotiated proprietary fee.
- j. All tickets shall be refunded if all races comprising the 123racing Pick-n Wager are canceled or declared as a no contest. The entire pool shall be refunded if less than four races are completed and if four or more races are completed the net pool shall be distributed pursuant to subdivision l.
- k. After wagering closes on the first race comprising the 123racing Pick-n Wager, the tournament shall be deemed closed and no entry ticket shall be sold, exchanged, or canceled. No person shall be determined to hold a winning 123racing Pick-n Wager ticket until the last designated race has been declared official.

- I. In accordance with the following provisions, the association host shall distribute the net pool to the holders of valid tickets that correctly selected the combination of first-place, second-place, and third-place place finishers that generated the top three highest points totals through the designated races or rounds comprising the 123racing Pick-n Wager as follows, unless otherwise approved by the host racing commission:

- (1) Sixty percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the holder of the pari-mutuel ticket with the wager which has the highest fantasy points totals after all races have been completed.
- (2) Thirty percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the holder of the pari-mutuel ticket with the wager which has the second-highest points totals after all races have been completed.
- (3) Ten percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the holder of the pari-mutuel ticket with the wager which has the third-highest points totals after all races have been completed.
- (4) If there are two pari-mutuel wagers that equal the highest points totals after all races have been completed, ninety percent of the net amount in the pari-mutuel pool subject to distribution shall be distributed to those ticket holders. Ten percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the holders of pari-mutuel tickets with wagers which have the third-highest points totals after all races have been completed.
- (5) If there are three pari-mutuel wagers that equal the highest points totals after all races have been completed, one hundred percent of the net amount in the pari-mutuel pool subject to distribution shall be distributed to those ticket holders.
- (6) If one pari-mutuel ticket wager scores the highest points totals, and two or more pari-mutuel tickets wagers equal the second-highest points totals after all races have been completed, sixty percent of the net amount in the pari-mutuel pool subject to distribution shall be distributed to the highest-scoring ticket holder, and forty percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the holders of pari-mutuel tickets which have the second-highest points totals after all races have been completed.
- (7) If one pari-mutuel ticket wager scores the highest points totals, one pari-mutuel ticket wager scores the second-highest points totals, and two or more pari-mutuel ticket wagers score the third-highest points totals after all

races have been completed, then sixty percent of the net amount in the pari-mutuel pool subject to distribution shall be distributed to the highest-scoring ticket holder, thirty percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the second-highest scoring ticket holder, and ten percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed to the holders of pari-mutuel tickets which have the third-highest points totals.

- m. Should circumstances occur which are not addressed by these rules, questions arising thereby shall be resolved in accordance with general pari-mutuel practice. Decisions regarding distribution of the 123racing Pick-n Wager pool made by the stewards commission are final.

196. 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.

207. **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 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 mutuel entry or mutuel 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 are excused by the stewards or are prevented from racing because of failure of the starting gate doors to open properly, or both.

248. **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.

229. **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.

History: Effective July 1, 1989; amended effective January 1, 2008; July 1, 2011;

October 1, 2013; amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-06, 53-06.2-10, 53-06.2-10.1, 53-06.2-11

69.5-01-08-05. Minimum wager and payoff. The minimum wager to be accepted by any licensed association is one dollar except multiple contribution wagers may be accepted at ten cents. The minimum payoff on a two dollar wager must be two dollars and ten cents.

History: Effective July 1, 1989; amended effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-06. Minors prohibited from wagering. No minor may be permitted by any licensed association to purchase a pari-mutuel ticket or be present in the immediate wagering areas.

History: Effective July 1, 1989; amended effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-07. Odds or payoffs posted. Approximate odds, based on win pool betting for finishing first for each betting interest, must be posted on one or more boards or television screens within view of the wagering public, at intervals of not more than ninety seconds. If daily double wagering is conducted before off time of the second daily double race, the possible payoff for each two dollar daily double wager combining the winner of the first daily double race with every horse or betting interest in the second daily double race; excepting that, in the event of a dead heat for first in the first daily double race, or a scheduled start in the second daily double race, is excused so as to cause a consolation daily double pool, then posting of all possible payoffs is not mandatory, but the association shall make every effort to compute such daily double prices and advise the public of the same by posting or public address announcement as soon as possible and prior to the running of the second daily double race.

History: Effective July 1, 1989.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-08. Betting explanation. Each association shall cause to be published in the daily race program a general explanation of pari-mutuel betting and an explanation of each type of betting pool offered; such explanation also must be posted in conspicuous places about the association grounds so as to adequately inform the public. Such explanation must be submitted to the commission prior to publication so as to ensure an absence of conflict with these rules.

History: Effective July 1, 1989; amended effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-09. Prior approval required for betting pools. Each association desiring to conduct other than ten betting races in a single day, or desiring to offer daily double, trifecta, exacta, or quinella wagering, shall first apply therefore in writing to the commission and obtain specific approval as to number of betting races and type of wagering to be offered on a single day.

History: Effective July 1, 1989.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-10. Pools dependent upon entriesBetting Interests.****

- ~~1. Unless the commission approves a prior written request from the association to alter wagering opportunities for a specific race, each association shall offer win, place, and show wagering on all programmed races involving six or more betting interests.~~
- ~~2. If horses representing five or fewer betting interests qualify to start in a race, then the association may prohibit show wagering on that race; if horses representing four or fewer betting interests qualify to start in a race, then the association may prohibit both place and show wagering on that race.~~
- ~~3. If, by reason of a horse being excused by the stewards after wagering has commenced or a horse is prevented from racing because of failure of a starting gate door to open properly, the number of actual starters representing different betting interests is:
 - ~~a. Reduced to five, then the association may cancel show wagering on that race and the entire show pool must be refunded upon presentation and surrender of show tickets thereon.~~
 - ~~b. Reduced to four or fewer, then the association may cancel both place and show wagering on that race and the entire place and show pools must be refunded upon presentation and surrender of such place and show tickets thereon.~~~~

Unless the commission otherwise provides, at the time the pools are opened for wagering, the association:

1. Shall offer win wagering on all contests with three (3) or more betting interests.
2. May offer win wagering on all contests with two (2) or more betting interests.
3. Shall offer place wagering on all contests with four (4) or more betting interests.
4. Shall offer show wagering on all contests with five (5) or

more betting interests.

5. May offer quinella wagering on all contests with three (3) or more betting interests.

6. May offer quinella double wagering on all contests with three (3) or more betting interests.

7. May offer exacta wagering on all contests with two (2) or more betting interests.

8. May offer trifecta wagering on all contests with three (3) or more betting interests.

9. May offer superfecta wagering on all contests with four (4) or more betting interests.

10. May offer twin quinella wagering on all contests with three (3) or more betting interests.

11. May offer show quinella wagering on all contests with three (3) or more betting interests.

12. Shall not offer twin trifecta, tri-superfecta or twin trifecta wagering on any contests with six or less betting interests.

History: Effective July 1, 1989; amended effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-11. Pari-mutuel ticket sales.

1. No pari-mutuel tickets may be sold except by the association conducting the races on which such wagers are made or a an approved host who is not an association.,-and the same Association tickets must be sold only at regular "seller" windows properly designated by signs showing the type and denomination of tickets to be sold at such windows if there are restrictions of any kind. No pari-mutuel tickets may be sold after the totalizator has been locked and no association is responsible for ticket sales entered into but not completed by issuance of a ticket before the totalizator has been locked.

2. Any claim by a person that the person has been issued a ticket other than that which the person requested must be made before such person leaves the seller window and before the totalizator is locked.
3. After purchasing a ticket and after leaving a ticket window, a person is not entitled to enter for issuance of an incorrect ticket, or claim refund or payment for tickets discarded, lost, destroyed, or mutilated beyond identification.
4. Payment on valid pari-mutuel tickets may be made only upon presentation and surrender thereof to the association where such wager was made within ninety days following the running of the race on which such wager was made. Failure to present any such ticket within ninety days constitutes a waiver of the right to receive payment thereon. The balance of funds not paid out constitutes the outs.
5. Payment of valid pari-mutuel tickets must be made on the basis of the order of finishes purposely posted on the infield results board and declared "official" by the stewards; any subsequent change in such order of finish or award of purse money as may result from a subsequent ruling by the stewards or commission in no way affects the pari-mutuel payoff. Cashiers' windows must remain open a reasonable length of time after the last race.
6. The association is responsible for the correctness of all payoff prices posted as "official" on the infield results board. If an error is made in posting the payoff figures on the public board, and ascertained before any tickets are cashed thereon, then such posting error may be corrected accompanied by a public address announcement, and only the correct amounts may be used in the payoff, irrespective of the initial error on the public board.
7. Prior to posting payoffs, the pari-mutuel manager shall require each of the computer printout sheets of such race to be proven and the winners verified. Such proof must show the amounts for commissions, breakage, and payoffs, which added together must equal the total pool. All pay slips are to be checked with computer printout sheets as to winner and prices before being issued to cashiers, and all board prices are to be rechecked before released to the public.
8. Whenever the recapitulation of the sales registered by each ticket issuing machine subsequently proves that the actual amount in the pool, or pools, is less than the amount used in calculating the payoff, such deficiency must be deposited in the pool or pools by the association. Should the recapitulation of sales prove that the actual amount in the pool or pools is greater than the amount used in calculating the payoff due to an error of the totalizator, such error resulting in underpayment to the public, then the aggregate of such underpayments must be paid into the corresponding pool of the next

race or races in such amounts as may be determined by the state steward and the pari-mutuel manager. If any such error should occur in computing the daily double pool, the underpayment must be added to the daily double pool of the following day. Overpayments and underpayments subsequently discovered upon recapitulation after the close of a meeting may be adjusted, and any underpayment resulting from such final adjustment must be paid to the commission.

History: Effective July 1, 1989; amended effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

~~69.5-01-08-12. **Coupled Entries and Mutuel Fields Meeting interests involving more than one horse.** When two or more horses entered for the same race are determined by the stewards to have common ties through ownership or training and are joined by the stewards as a "mutuel entry", such mutuel entry becomes a single betting interest and a wager on one horse in a mutuel entry is a wager on all horses in the same mutuel entry. When the number of horses competing in a race exceeds the numbering capacity of the totalizator, the racing secretary shall assign the highest pari-mutuel numbers to horses so that the highest numbered horse within the numbering capacity of the totalizator, together with horses of higher numbers, is shown in the "mutuel field" as a single betting interest, and a wager on one horse in the mutuel field is a wager on all horses in the same mutuel field.~~

1. Contestants coupled in association wagering as a coupled entry or mutuel field shall be considered part of a single betting interest for the purpose of price calculations and distribution of pools. Should any contestant in a coupled entry or mutuel field be officially withdrawn or scratched, the remaining contestants in that coupled entry or mutuel field may remain valid betting interests and no refunds will be granted; or the stewards may order a refund for the entire betting interest. If all contestants within a coupled entry or mutuel field are scratched, then tickets on such betting interests shall be refunded, notwithstanding other provisions of these rules.
2. For the purpose of price calculations only, coupled entries and mutuel fields shall be calculated as a single finisher, using the finishing position of the leading contestant in that coupled entry or mutuel field to determine order of placing. This rule shall apply to all circumstances, including situations involving a dead heat, except as otherwise provided by these rules.

History: Effective July 1, 1989; amended effective January 1, 2008; amended effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-12.1. The pari-mutuel manager. The association pari-mutuel

manager:

1. Shall deliver to the commission at the end of each racing day, a record showing the amount wagered in each pool, the commission and the breakage for each race, and the totals of each for the day.
2. Shall be properly and timely advised by the racing secretary, prior to the beginning of wagering on each race, on the horses that will compete in the race.
3. Is held responsible for the conduct of the mutuel's employees, but is not responsible for their shorts or longs. Each seller or cashier shall be responsible to the pari-mutuel manager for their shorts or longs. Such shorts or longs shall be a guide to the pari-mutuel managers as to the conduct and character of the employees.
4. Shall employ only those licensed by the commission unless by special permission of the commission.
5. Shall allow no one to enter the mutuel department other than those properly licensed and whose employment requires their presence, except with the specific authorization of the pari-mutuel manager or the commission.
6. Shall sign all license applications for employees of the pari-mutuel department.
7. Shall, upon discharging an employee or the resignation of an employee, immediately report same to the commission. If a discharge or resignation is related to possible violations of racing rules or state laws, or problems involving the handling or reconciliations of wagers, notice shall be accompanied by a report to the commission concerning the reasons for the action.
8. Shall be responsible for the odds board and the information it reflects.

History: Effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-13. Emergency situations. In the event any emergency arises in connection with the operation of the pari-mutuel department not provided for by these rules, then the association pari-mutuel manager shall make an immediate decision and render a full report to the commission.

History: Effective July 1, 1989; amended effective January 1, 2008.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-17. Display of Betting Information by Associations.

1. An association shall post the approximate odds for Win pool betting on display devices within view of the wagering public and update at intervals of not more than 60 seconds for the current race of the performance.
2. The probable payout or amounts wagered, in total and on each betting interest, for other pools may be displayed to the wagering public at intervals and in a manner approved by the commission.
3. Official results and payouts must be displayed upon each contest being declared official.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-18. Refunds for Short Fields.

1. Notwithstanding other provisions of these rules, refunds of the entire association pool shall be made on:
 - a. Win pools, Exacta pools, and first-half Double pools offered in contests in which the number of betting interests has been reduced to fewer than two (2).
 - b. Place pools, Quinella pools, Trifecta pools, first-half Quinella Double pools, first-half Twin Quinella pools, first-half Twin Trifecta pools, and first-half Tri-Superfecta pools offered in contests in which the number of betting interests has been reduced to fewer than three (3).
 - c. Show pools, Superfecta pools, and first-half Twin Superfecta pools offered in contests in which the number of betting interests has been reduced to fewer than four (4).
2. Authorized refunds shall be paid upon presentation and surrender of the affected pari-mutuel ticket or automatically by a service provider or site operator in the case of account deposit wagering.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-19. Prior Approval Required For Betting Pools.

1. An association that desires to offer new forms of wagering must apply in writing to the commission and receive written approval prior to implementing the new betting pool.
2. The association may suspend previously-approved forms of wagering with the prior approval of the commission. Any carryover shall be held until the suspended form of wagering is reinstated. An association may request approval of a form of wagering or separate wagering pool for specific performances.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-20. Claims for Payment from Pari-Mutuel Pool.

1. At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by an association in any case where the association has withheld payment, not placed a wager requested by a customer, or has refused to cash a pari-mutuel wager. The association's full written report on the matter in accordance with the requirements of Section 69.5-01-08-21 (Complaints Pertaining to Pari-Mutuel Operations) shall be forwarded to the commission within 48 hours of the commission's request.
2. In the case of a claim made for payment of a mutilated pari-mutuel ticket, the association shall make a recommendation to accompany the claim forwarded to the commission as to whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-21. Complaints Pertaining to Pari-Mutuel Operations.

1. When a patron makes a complaint regarding pari-mutuel operations a complaint report shall be issued upon commission request, setting out:
 - a. the name of the complainant;
 - b. the nature of the complaint;

c. the name of the persons, if any, against whom the complaint was made;

d. the date of the complaint;

e. the action taken or proposed to be taken, if any;

2. Every complaint report shall be submitted to the commission within 48 hours of commission request.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

69.5-01-08-22. Licensee Duty to Report. All licensees shall report any known irregularities or wrong doings by any person involving pari-mutuel wagering immediately to the commission and cooperate in subsequent investigations.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10

Law Implemented: NDCC 53-06.2-10, 53-06.2-11

CHAPTER 69.5-01-11
SIMULCASTING AND ACCOUNT DEPOSIT WAGERING

Section

69.5-01-11-01	Definitions
69.5-01-11-02	General Licensing Requirements
69.5-01-11-03	Licensing Service Providers and Totalizator Companies
69.5-01-11-04	Duties of Service Providers
<u>69.5-01-11-04.1</u>	<u>Independent Auditing Services</u>
<u>69.5-01-11-04.2</u>	<u>TRA Codes and Account Deposit Wagering Websites</u>
69.5-01-11-05	Licensing Site Operators
69.5-01-11-06	Duties of Site Operators
<u>69.5-01-11-06.1</u>	<u>Claims for Payment from the Pari-mutuel Pool</u>
69.5-01-11-07	Licensing of Simulcast Employees
69.5-01-11-08	North Dakota Tracks Offering Extended Wagering
69.5-01-11-09	Denial, Suspension, and Revocation of Licenses
69.5-01-11-10	Pari-Mutuel Wagering
<u>69.5-01-11-10.1</u>	<u>Interstate Common Pool Participation</u>
69.5-01-11-11	Account Wagering [Repealed]
69.5-01-11-11.1	Account Wagering
69.5-01-11-11.2	Totalizator System General Provisions
69.5-01-11-12	Totalizator System Standards [Repealed]
69.5-01-11-13	Totalizator System Standards - Facilities and Equipment
69.5-01-11-14	Totalizator System Standards - Operational Requirements
69.5-01-11-15	Totalizator System Standards - Reporting and Log Requirements

69.5-01-11-01. Definitions. For the purposes of this chapter, unless the context otherwise requires:

1. "Account wagering" or "account deposit wagering" means a form of pari-mutuel wagering in which an individual deposits money in an account and uses the account balance to pay for pari-mutuel wagers. It includes advance deposit wagering.
2. "Authorized pari-mutuel wagering entity" means a licensed racetrack, service provider, or site operator.
3. "Combined pari-mutuel pool" means the pari-mutuel wagers received at sites being contributed into one or more pari-mutuel pools as required by the commission.
4. "Eligible organization" means an organization eligible to conduct pari-mutuel wagering pursuant to North Dakota Century Code section 53-06.2-06.
5. "Independent real-time monitoring system" means a system operated and approved by the commission for the purpose of immediate and continuous analysis of wagering and other pari-mutuel systems data in

order to detect suspect wagering transactions or other activity indicating a possible problem relating to the integrity of the pari-mutuel system and which transmits transactional level data to a wagering security data base.

6. "Pari-mutuel manager" means the person responsible for managing the pari-mutuel wagering system, including managing all teller and wagering operations, monitoring tote operations, opening and closing tote, communicating with tote hub, issuing wagering system reports, and maintaining wagering system records.
7. "Sending track" means any track from which **simulcast** signals originate.
8. "Simulcast employee or agent" means any person employed by a simulcast service provider or simulcast site operator, but does not include custodial or maintenance personnel not directly involved in wagering and others exempted by the commission.
9. "Service provider" means a person engaged in providing simulcasting or account wagering services **directly** to a site operator and establishing, operating, and maintaining the combined pari-mutuel pool, but does not include persons authorized by the federal communications commission to provide telephone service or space segment time on satellite transponders. **Sending tracks are also excluded from this definition.**
10. "Simulcast services" means services provided to a simulcast site operator including the simulcast signal from a sending track and the operation of the combined North Dakota pari-mutuel pool.
11. "Site" means the physical premises, structure, and equipment utilized by a site operator for the conduct of pari-mutuel wagering on horse racing events being run elsewhere.
12. "Site operator" means an eligible organization licensed by the commission to offer, sell, cash, redeem, or exchange pari-mutuel tickets on races being simulcast from a sending track or to conduct account wagering.
13. "Voucher" means a document or card produced by a pari-mutuel system device on which a stored cash value is represented and the value of which is recorded in and redeemed through the pari-mutuel system.

History: Effective March 1, 1990; amended effective August 1, 2007; July 1, 2011; **amended effective** , 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-10.1

69.5-01-11-02. General licensing requirements.

1. Any site operator, service provider, or totalizator company must be licensed by the commission and approved by the attorney general. Totalizator companies contracting for service within the state and their employees whose principal work address is within the state must be licensed by the commission. Other vendors and their employees may be required to be licensed at the discretion of the commission. Application for a license must include the license fee as prescribed by the commission. Applications for licenses must be in such form as may be prescribed by the commission and must contain such information or other material or evidence as the commission may require. All licenses must be for a period of one year commencing January first and ending December thirty-first of each calendar year. The initial license fee for a service provider is seven thousand five hundred dollars, for a site operator is one thousand dollars, and for a totalizator company is two thousand five hundred dollars. A service provider is required to pay an additional license fee in accordance with section 69.5-01-05-02.1 when offering the mad scramble pool.
2. The application for renewal of a license must be made to the commission by such date as may be prescribed by the commission. If the commission has not specifically set application dates for renewal of the class of license, application must be made no later than thirty days prior to the date of expiration of the license. Application for renewal of license must be made in such form as may be prescribed by the commission. Application for license renewal must include the license fee for a service provider, two thousand five hundred dollars; site operator, two hundred fifty dollars; and totalizator company, one thousand five hundred dollars.
3. Approval or disapproval of an application for site operator, service provider, or totalizator company license must include consideration by the commission of the following:
 - a. The applicant's general benefit to the state of North Dakota.
 - b. The applicant's general benefit to the state's horse racing industry.
 - c. The applicant's integrity.
 - (1) Individual and corporate conduct and reputation.
 - (2) Criminal history.
 - (3) Betting and gaming industry conduct and reputation.

d. The applicant's credibility.

(1) ~~Accuracy of feasibility study~~ The feasibility of the applicant's business plan.

(2) Experience and expertise of the applicant in the industry.

e. Financial stability.

4. A service provider cannot operate without an executed contract with a site operator.
5. The commission may require licensing of any entity or person contracting with or providing services or commodities to any site operator, service provider, or employee licensed by the commission.

History: Effective March 1, 1990; amended effective August 1, 2007; July 1, 2011; October 1, 2012; amended effective , 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-05, 53-06.2-06, 53-06.2-07, 53-06.2-08, 53-06.2-10.1, 53-06.2-14

69.5-01-11-03. Licensing service providers and totalizator companies.

1. Service providers and totalizator companies must be licensed by the commission and approved by the attorney general.
2. Before the commission may grant such license, it shall review and approve the services to be provided by the applicant. The applicant shall submit such information as required by the commission which must include, but not be limited to:
 - a. The services and equipment to be provided.
 - b. Projected revenue and costs associated with the operations of the applicant.
 - c. A complete financial statement demonstrating adequate capitalization to maintain the intended services.
 - d. A description of the management or management groups responsible for the operation of the service provider or totalizator company, including a list of all officers, directors, partners and shareholders with a 5% or greater share of ownership or beneficial interest in the service provider or totalizator company.
 - e. A complete description of the transmission, totalizator, and data

processing equipment to be used.

- f. A history of the company demonstrating the experience and technical knowledge necessary to supply the intended services.
 - g. Written agreements between the applicant and all parties assisting in providing services.
 - h. A description of the security measures to be used to protect the propriety of the signal and the integrity of the wagering process.
 - i. The system of accounts to be utilized in the collection and distribution of revenues directly or indirectly related to the operation and the combined pari-mutuel pool.
 - j. A detailed statement demonstrating individual and corporate conduct, ability, and reputation of the applicant and supervisory personnel.
 - k. A complete list of licenses held by the applicant, the TRA codes associated with such licenses where applicable and the websites to which the licenses and TRA codes apply.
 - l. A description of the processes and procedures implemented in conjunction with tracks and other industry stakeholders to address possible odds manipulation through placing large bets on small pools, the cancellation of wagers, and other methods.
 - km. The commission may require an audit of the applicant at the expense of the applicant.
 - ln. The commission may require totalizator companies to provide documentation of third-party compliance and testing within two years of application.
 - o. The commission may require a background investigation of the applicant to be conducted by the Thoroughbred Racing Protective Bureau or another entity approved by the commission, the scope of which shall be at the sole discretion of the commission. The applicant shall be responsible for all costs associated with conducting the background check.
3. The commission may license one or more service providers or totalizator companies concurrently to provide services, as defined by this chapter, to one or more licensed site operators within the state. Fees for such license shall be as prescribed by the commission. Licenses will be for a term of one calendar year. The commission may establish license fees separately for first-time applicants and for renewal of existing licenses in

order to recognize additional costs of investigation and analysis required for first-time licenses.

4. Each applicant for a service provider license shall give a bond or letter of credit payable to this state with good security as approved by the commission. The bond or letter of credit must be in the amount the commission determines will adequately protect the amount normally due and owing to this state in a regular payment period or, in the case of new or altered conditions, based on the projected revenues.

History: Effective March 1, 1990; amended effective August 1, 2007; July 1, 2011; amended effective , 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-05, 53-06.2-08, 53-06.2-10.1, 53-06.2-14

69.5-01-11-04. Duties of service providers.

1. Service providers shall comply with all state and federal laws, including section 3001, et seq. of title 15 of the United States Code.
2. A service provider intending to make any change in its structure or operations which would alter any of the responses given in its original license application must obtain prior approval of such changes by the commission and must file with the commission a statement including, but not limited to:
 - a. The changes to be made.
 - ~~b. A statement that the service provider is in compliance with section 3001, et seq. of title 15 of the United States Code and any other applicable federal laws.~~
 - eb. The date and time the service provider intends to commence said changes.
3. A service provider may not be licensed as a site operator.
4. A service provider shall maintain records of all wagering at sites where it provides services. Such records shall be available to the commission for review and shall be retained in safekeeping for periods of time as follows:
 - ~~a. A copy of daily computer report for one year and until payment is made to the commission for unclaimed tickets.~~
 - ba. Digital storage for three years.

~~6. Summary reports for five years.~~

- ~~db.~~ Other wagering records as may be required from time to time and are specifically defined by the commission.
5. A service provider shall maintain such security controls over its simulcast, account wagering, and communications system as directed by the commission.
 6. A service provider shall provide the commission with a report of its operations as directed by the commission. ~~The A operations~~ summary report detailing handle for each day of wagering, the taxes and breakage owed to the State of North Dakota, and the amounts owed to one or more site operators shall be provided to the commission on a ~~weekly~~ monthly basis; ~~with race weeks ending on Sunday~~. The report must contain any additional content as directed by the commission.
 7. A service provider may only provide simulcast and account wagering services to a site operator licensed by the commission, except that a service provider may provide simulcast services to an Indian tribal entity within the state which may not be licensed pursuant to the provision of an existing racing addendum to a tribal gaming compact.
 8. A service provider may require compliance by the site operator with contractual provisions necessary to maintain the integrity and proper operation of wagering.
 9. A service provider shall provide access by the commission or its designated representative to its facility, records, and any other information as required by the commission or its representative.
 10. Simulcasting and account wagering may be permitted only on races conducted at approved locations at pari-mutuel tracks governed by a racing commission, racing board, or governmental agency.
 11. A service provider shall participate in a combined pari-mutuel pool, ensure the integrity of its participation, and establish procedure as approved by the commission for the use of federally insured financial institutions for receipt and disbursement of funds which are part of the combined pari-mutuel pool. Such procedure must include provision for timely reconciliation and settlement of pool accounts by a service provider with on behalf of a site operators ~~serviced by a service provider~~. Times within which settlement of pool accounts are to be settled must be specified in contracts or service agreements between a service provider and site operators.
 12. Payment of taxes and other funds:

- a. A service provider shall pay all pari-mutuel taxes, special fund contributions, and other funds due and owing the state of North Dakota as indicated in the certified monthly summary report ~~of its operations~~, required in this chapter, directly to the commission.
- b. Amounts due to North Dakota for pari-mutuel taxes, promotion fund, breeders' fund, purse fund, and breakage shall be paid to the commission in monthly payments on or before the last day of the next month succeeding the month in which the pari-mutuel tax or other funds due to North Dakota occurred or accrued.
- c. A service provider shall submit a report and a corresponding payment of funds owing to the commission for the full amount of outs (unclaimed winning tickets) within fifteen days after the end of the calendar quarter following the calendar quarter in which such wager was made. ~~A service provider shall also submit a report and a corresponding payment of funds to the commission for the full amount of all breakage retained by a service provider. Breakage shall be calculated by deducting odd cents over any multiple of five cents of winnings per dollar from the portion of the pari-mutuel pool to be redistributed.~~
 - d. The commission may, when a service provider is delinquent in remittance of taxes or other funds owed to North Dakota, notify the surety providing bond coverage to North Dakota of the delinquent status of such taxes or funds, and may make a claim for payment from the surety.
 - e. If a service provider fails to submit a report of its operations as required, or fails to pay pari-mutuel taxes or other funds due North Dakota within the time required by this section, or if upon audit it is found to owe additional taxes or other funds, a service provider is subject to a late fee of five percent of the amount of tax or other funds due, plus interest of one percent of the tax or other funds due per month or a fraction of a month of delay after the due date for the remittance of the moneys according to this chapter. A service provider with seven of fourteen delinquent payments may be subject to a late fee of ten percent of the moneys due plus interest of one percent of the amounts due per month or a fraction of a month of delinquency. The late fees and interest must be paid to the commission and disposed of in the same manner as other receipts under this chapter.
 - f. The commission may suspend or revoke a license of a service provider for failure to submit a report of its operations as required by law or administrative rule or for failure to pay funds due North Dakota as required by law or administrative rule. The commission may also take such

other actions as may be authorized by law.

13. The commission may approve auditors as reasonably necessary for the protection of the public interest. The commission shall be reimbursed on a monthly basis for the salaries, benefit, and travel expenses by the service provider for the auditors assigned to them. Duties of an auditor shall include, but not be limited to, the following when instructed by the commission:
 - a. An independent weekly record and report of each race program presented by a service provider. The report must be based on a review of each race contained in a program.
 - b. Reconciliation of all operating exceptions by the service provider and the sites it services that are not within the definitions of this chapter or are departures from normal operating practice. Such reconciliation shall include identification, investigation, reporting, and recommendation for adjustment or disposition directly to the commission.
 - c. Independent review and reporting directly to the director of racing of all actions taken by the service provider or the totalizator company operating under contract with the service provider.
 - ~~d. The auditor shall have authority as presiding official at any time the auditor is on the premises of a service provider. In the absence of the auditor, the representative of a service provider shall be the designee of the commission as presiding official.~~
14. A service provider and a totalizator company operating under contract with a service providersite operator shall serve as the designees of the commission to supervise simulcast and account wagering operations pertaining to pari-mutuel wagering as is reasonably necessary to ensure the public interest.
15. ~~All reports must be signed by the presiding official and filed with the commission.~~ The presiding officialpari-mutuel manager shall take immediate emergency actions as necessary to assure the continued operation and integrity of the simulcast or account wagering system. All such actions shall be reported to the commission. The presiding officialpari-mutuel manager shall, when such acts are not, in the officialmanager's judgment an emergency, report to the commission prior to acting.
16. A service provider shall adopt and adhere to emergency operating procedures as follows. Totalizator system operations will be maintained by a service provider hub. Wagering data will be transferred from the wagering

site to the hub via data transmission lines or electronic transmission. Wagering will be conducted in ontrack pools. The hub will transfer all wagering data from the wagering site to the ontrack totalizator system. The locking procedure for the purpose of locking all teller windows at post time will be initiated by an ontrack official; the lock will be electronically conducted through the totalizator system to lock all tellers windows at the wagering site. Back-up locking procedures will be maintained by the ~~presiding official~~ pari-mutuel manager, the hub pari-mutuel operator and the hub totalizator system operator. In the event of a lock procedure failure, in which one or more windows fail to lock at the designated time, wagers shall be refunded. In the event of a locking procedure failure, a report will be submitted to the commission. Included will be computer reports reflecting all wagering activity.

- a. In the event of an interruption of the audiovisual satellite signal or the direct wagering and information dissemination connection from the host racetrack, the pari-mutuel manager must:
 - (1) Notify the host track of the loss of signal.
 - (2) Maintain telephone contact with host track pari-mutuel department. The service provider may continue to accept wagering on the balance of the program.
 - (3) In the event the hub totalizator system fails to transfer the data to the ontrack totalizator system, the totalizator hub pari-mutuel operator must notify ontrack totalizator system representative of the problem and request additional time prior to the start of the race to allow for a transmission of the data.
 - (4) A service provider's pari-mutuel manager shall prepare a report indicating that the transfer of data could not be completed electronically. The report shall also include all the following:
 - (a) A copy of the totalizator report prior to the failure of the transfer of data.
 - (b) A copy of the totalizator report.
 - (c) A brief statement as to where the failure occurred, when the ontrack officials were notified.
- b. The ontrack pari-mutuel manager must be notified of the system failure.
- c. In the event that the ontrack totalizator system experiences a

complete failure, the pari-mutuel manager may pay ontrack prices or refund amounts wagered.

- d. In the event any emergency arises in connection with the operation of the pari-mutuel system not provided for by these rules, then the pari-mutuel manager shall make an immediate decision and render a full report to the commission.
- e. The ontrack pari-mutuel manager is responsible during the simulcast racing operating hours for the reporting of any problems or delays to the wagering site. The wagering site is responsible for reporting any problems or delays to the public.

17. Information concerning wager transactions and account wagering customers provided to the commission shall be considered proprietary and shall not be disclosed publicly except as may be required pursuant to statute, court order or part of the official record of any proceeding before the commission. This shall not prevent the sharing of this information for investigative purposes with other pari-mutuel regulatory authority or law enforcement agencies.

18. No service provider may commence wagering or utilize a totalizator system which has not been previously disclosed to the commission without notifying the commission of its intent to begin conducting wagering and receiving written commission approval. The foregoing does not prohibit a service provider from engaging in test wagering if such test wagering does not involve the exchange of real currency.

19. A service provider shall provide its players with contact information for no less than one problem gambling program. The problem gambling program utilized by the service provider shall be clearly identified on the service provider's application and be subject to approval by the commission. The commission may designate changes to the methods employed in displaying contact information as necessary to support the accessibility of the information.

a. On any website utilized for account wagering a link to problem gambling program contact information shall be prominently displayed on the main page of the website.

b. At any simulcast facility problem gambling program contact information shall be prominently displayed so as to be clearly visible in each room of the facility.

amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10.1, 53-06.2-11, 53-06.2-12, 53-06.2-13, 53-06.2-14

69.5-01-11-04.1. Independent Auditing Services

1. The commission may appoint an independent auditor responsible for providing reports of amounts due to the state of North Dakota from all site operators and service provider for pari-mutuel taxes, promotion fund, breeders' fund, purse fund, unclaimed tickets and breakage.
2. The independent auditor shall obtain wagering data directly from the totalizator company used by the service provider. Each service provider shall cooperate fully to provide the independent auditor with complete access to all wagering data held by the service provider and their totalizator company.
3. In the event of a discrepancy between reports provided by a service provider and the independent auditor, the service provider shall work directly with the independent auditor and take all reasonable steps to identify the error or discrepancy and provide a complete reconciliation to the commission not later than 30 days after the service provider is notified of the discrepancy. The commission may in its sole discretion grant an extension of this deadline.
4. In the event that the discrepancy between reports provided by a service provider and the independent auditor is the result of an error in the systems or procedures utilized by the service provider, the service provider shall file a report detailing the cause of the error and a proposed course of action to correct the error. The error shall be corrected and a final report filed detailing the correction no later than 60 days after the service provider is notified of the error. The commission may in its sole discretion grant an extension of this deadline.

History: Effective _____, 2014.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10.1, 53-06.2-11, 53-06.2-12, 53-06.2-13, 53-06.2-14

69.5-01-11-04.2. TRA Codes and Account Deposit Wagering Websites

1. A service provider may conduct wagering under its North Dakota license only through TRA codes, simulcast sites, and websites specifically identified to the commission in writing. All simulcast sites and websites must be identified in the service provider application by their corresponding TRA code. These requirements may be waived by the commission in the event that TRA codes are not used in wagering into international jurisdictions or TRA codes are no longer used as part

of industry standards. If the commission finds that providing a waiver for the use of TRA codes would affect the security or integrity of the wagering to be conducted, the commission may not issue the waiver.

2. A service provider shall notify the commission prior to the use of any new TRA code under its North Dakota license and must specify in each notification the simulcast site or website with which the TRA code is associated.
3. The service provider shall be responsible for retiring any TRA codes no longer in use and notifying the Commission of such retirement in writing. A service provider may not use a TRA code for any purpose other than the purpose described in its service provider application without notifying the commission. The commission may require confirmation from the entity regulating TRA codes of a change in TRA code description if applicable.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-10.1, 53-06.2-11, 53-06.2-12, 53-06.2-13, 53-06.2-14

69.5-01-11-05. Licensing site operators.

1. Before the commission may grant a license to a site operators, it shall review and approve a plan of operation submitted by an applicant including, but not limited to, the following information:
 - a. A feasibility study denoting the revenue earnings expected from the facility and the costs expected to operate such facility. The feasibility study must include:
 - (1) The number of races to be simulcast.
 - (2) The types of wagering to be offered.
 - (3) The level of attendance expected and the area from which such attendance will be drawn.
 - (4) The level of anticipated wagering activity.
 - (5) The source and amount of revenue expected from other than pari-mutuel wagering.
 - (6) The cost of operating the facility and the identification of costs to be amortized and the method of amortization of such costs.

- b. The security measures to be employed to protect the facility, to control crowds, to safeguard the transmission of the simulcast signal and to control the transmission of wagering data to effectuate common wagering pools.
 - c. The description of the management groups responsible for the operation of the facility.
 - d. The system of accounts to maintain a separate record of revenues collected by the facility, the distribution of such revenues, and the accounting of costs relative to the operation.
 - e. The location of each site and a copy of the lease or site agreement.
 - f. All written agreements or letters of consent between parties to the operation of the system, including a licensed service provider.
 - g. Proof of eligibility under North Dakota Century Code section 53-06.2-06.
 - h. Applicant's financial information demonstrating adequate capitalization to carry on the duties of a site operator.
 - i. Support or nonsupport of the local jurisdictional government.
 - j. Proof of adequate experience and knowledge necessary to conduct simulcasting and pari-mutuel wagering operations.
2. The license fee shall be as prescribed by the commission. Site operators may apply for a license and may operate one or more sites at the fees prescribed by the commission. Licenses will be for a term of one calendar year.
 3. Licenses to site operators may be granted as follows:
 - a. Organizations eligible under North Dakota Century Code section 53-06.2-06.
 - b. Indian tribal entities within the state which may be licensed pursuant to the provision of an existing racing addendum to a tribal gaming compact with the state.
 - c. No service providers may be licensed as site operators.
 4. Each applicant for a license under this chapter shall give a bond or letter of credit payable to this state with good security as approved by the

commission. The bond or letter of credit must be in the amount the commission determines will adequately protect the amount normally due and owing to this state in a regular payment period or, in the case of new or altered conditions, based on the projected revenues.

5. No simulcasting or pari-mutuel wagering may be conducted at a site not approved by the commission.

History: Effective March 1, 1990; amended effective August 1, 2007; July 1, 2011; amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-06, 53-06.2-07, 53-06.2-08, 53-06.2-10.1, 53-06.2-14

69.5-01-11-06. Duties of site operators.

1. A site operator shall conduct the pari-mutuel wagering at a site approved by the commission.
2. A site operator shall provide access to the commission or its designated representative to the site and to all records of the site operator and any other information as required by the commission or its designated representative.
3. A site operator is responsible for cash shortages which occur at a simulcast site.
4. The provisions of North Dakota Century Code section 53-06.2-11 are applicable to simulcasting and account wagering. A site operator shall establish a system of monitoring and supervising accounts to facilitate and to make record of compliance with this section. Such supervision of accounts must provide for timely payoffs to winning patrons either through immediate cash payments or by vouchers payable upon demand as soon as necessary funds transfer can be made through the clearing process of the banking system by the service provider. Such accounts must also provide for timely transfer of all funds owing to North Dakota. These shall include pari-mutuel taxes, breakage, unclaimed tickets, purse fund contributions, breeders' fund contributions, and promotion fund contributions. The site operator's service agreement with its service provider must include provision for such timely transfer of these funds and systems of monitoring and supervising accounts.
5. A site operator may only take a signal or conduct account wagering from a service provider licensed by the commission.
6. All wagers are made on the official results of the sending track.

7. Only a licensed employee of a site operator may conduct simulcast or pari-mutuel wagering on behalf of a site operator, except a service provider may conduct pari-mutuel wagering on behalf of a site operator through a self-service device, electronically, telephonically, or through the internet only with the prior approval of the commission.

History: Effective March 1, 1990; amended effective August 1, 2007; July 1, 2011; amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-06, 53-06.2-07, 53-06.2-08, 53-06.2-10.1, 53-06.2-11, 53-06.2-12, 53-06.2-14

69.5-01-11-06.1. Claims for Payment from Pari-Mutuel Pool.

1. At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by a site operator or service provider in any case where the site operator or service provider has withheld payment, not placed a wager requested by a customer, or has refused to cash a pari-mutuel wager. The site operator or service provider's full written report on the matter in accordance with the requirements of Section 69.5-01-08-21 (Complaints Pertaining to Pari-Mutuel Operations) shall be forwarded to the Commission within 48 hours of the Commission's request.
2. In the case of a claim made for payment of a mutilated pari-mutuel ticket, the site operator or service provider shall make a recommendation to accompany the claim forwarded to the commission as to whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-06, 53-06.2-10, 53-06.2-10.1, 53-06.2-11, 53-06.2-12, 53-06.2-14

69.5-01-11-07. Licensing of employees.

1. No person may be a simulcast employee unless that person is the holder of a valid license issued by the North Dakota racing commission. Notwithstanding the foregoing, employees of a service provider shall not be required to obtain a license from the commission if they are already licensed to engage in the same type of employment related to pari-mutuel wagering in another jurisdiction which has the same or similar licensing requirements and standards. This exception shall not apply to the principals and supervisory personnel of a service provider

as identified by the commission.

2. The employment of an unlicensed person by a site operator or service provider is prohibited. Upon discharge of a licensed simulcast employee, the site operator or service provider shall report that fact to the commission, including the name and occupation of the discharged licensee and the reason for discharge. Notwithstanding the foregoing, employees of a site operator not engaged in or responsible for supervision of activities related to pari-mutuel wagering or live racing shall not require a license from the commission unless otherwise indicated by the commission.
3. The commission will not issue a license to a simulcast employee unless the application includes the prior endorsement of the employer.
4. The initial license fee and the renewal fee shall be prescribed by the commission. For each change of employment, name change, or replacement of a lost or destroyed license, a fee may be assessed as prescribed by the commission. The term of licenses shall be one calendar year.
5. Maintenance and administrative representatives of service providers and their vendors or suppliers must have current North Dakota racing commission licenses available for presentation prior to requesting admittance to restricted areas of sites. If such representatives are not licensed by the commission, they must be accompanied by a licensed representative or have the prior identification and endorsement of a licensed representative.
6. Each simulcast employee shall wear a valid license at all times while working in a simulcast site. The license must be worn on the upper one-third of the employee's body. All information on the license or permit must be easily visible. No license may be transferred to any other person.
7. No employee or agent of a service provider may be employed by a site operator. No employee of a site operator may be employed by a service provider.
8. No simulcast employee may wager at a site while on duty. For purposes of this section, a simulcast employee taking a temporary break is still considered on duty.

History: Effective March 1, 1990; amended effective August 1, 2007; July 1, 2011; amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-05, 53-06.2-08, 53-06.2-10.1, 53-06.2-14

69.5-01-11-08. North Dakota tracks offering extended wagering.

1. Subject to commission approval, Aa North Dakota track may authorize use of its simulcast for interstate wagering by out-of-state betting systems provided the North Dakota track files with the commission a copy of the agreement with the out-of-state betting system which sets forth the payment to the North Dakota track for use of its simulcast, and of any agreements required by chapter 57, including section 3001, et seq. of title 15 of the United States Code.
2. Every North Dakota sending track simulcasting its racing program shall contract with a simulcast service provider for the purpose of providing authorized users with its simulcast.
3. The North Dakota sending track is responsible for the content of its simulcast and shall use all reasonable effort to present a simulcast which offers the viewers an exemplary depiction of its racing program, a periodic display of wagering information, and continuity programming between horse racing events.
4. Unless otherwise permitted by the commission, the sending track simulcast will contain in its video content a digital display of the actual time of day, the name of the racetrack from where it emanates, the number of the race being displayed, and the sequential fractional time of the race as the race is being run.

History: Effective March 1, 1990; amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-10.1

69.5-01-11-09. Denial, suspension, and revocation of licenses.

1. Reasons for denial, suspension, and revocation. The commission may deny, suspend, or revoke licenses for just cause. Actions constituting just cause include:
 - a. Any action or attempted action by a person contrary to any law.
 - b. Corrupt practices, which include:
 - (1) Prearranging or attempting to prearrange the order of finish of a race.
 - (2) Failing to properly pay winnings to a bettor or to properly return change to a bettor purchasing a ticket.
 - (3) Falsifying or manipulating the odds on any entrant in a race.

- c. Any violation of the rules of racing, simulcasting, or account wagering adopted by the commission.
 - d. Willful falsification or misstatement of facts in an application for a license.
 - e. Material false statement to a racing official or to the commission.
 - f. Willful disobedience of a commission order or of a lawful order of an agent of the commission.
 - g. Continued failure or inability to meet financial obligations.
 - h. Failure or inability to properly maintain a simulcast system, site, combined pari-mutuel pool, or account wagering system.
 - i. Failure to fulfill contractual obligations.
 - j. The suspension or revocation of racing or pari-mutuel wagering activity of the applicant or licensee by an out-of-state regulatory agency recognized by the commission.
 - k. Failure to meet the considerations of subsection 3 of section 69.5-01-11-02.
2. The procedures to be followed in denial, suspension, or revocation of licenses must be as prescribed by North Dakota Century Code section 53-06.2-15.

History: Effective March 1, 1990; amended effective January 1, 2008; July 1, 2011.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-05, 53-06.2-07, 53-06.2-08, 53-06.2-10.1, 53-06.2-14

69.5-01-11-10. Pari-mutuel wagering. The North Dakota racing commission has taken separate action to adopt and incorporate the model rules of the association of racing commissioners international, inc., in whole or in part as soon as adoption and incorporation is practically possible.

History: Effective August 1, 2007.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-10.1

69.5-01-11-10.1. Interstate Common Pool Participation.

1. A service provider shall participate in Common Pool Wagering by accepting wagers placed in other jurisdictions or by offering wagers on

racas run in other jurisdictions. The rules for a pari-mutuel pools established in the state of the live event pari-mutuel pool host shall apply.

2. All contracts submitted to the Commission shall be fully executed by all parties thereto and shall include all attachments, addendums and other documentation which constitute part of the contract. A service provider may submit only an addendum to a contract which increases the term of that contract if a copy of the original contact of which the addendum is a part is currently on file with and has been approved by the Commission. A service provider shall resubmit any contract or any portion thereof at the request of the Commission.

History: Effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-10, 53-06.2-10.1

69.5-01-11-11. Account wagering. Repealed effective July 1, 2011.

69.5-01-11-11.1. Account wagering. The requirements for account wagering are as follows:

1. A site operator may offer a system of account wagering to its players in which wagers are debited and payouts credited to a sum of money, deposited in an account by the player, that may be held by a service provider. The service provider shall notify the player, at the time of opening the account, of any rules the site operator or service provider has made concerning reporting, monitoring, changes of awards, account activity (deposits or withdrawals), user fees, or any other aspect of the operation of the account. The service provider shall notify the player and the site operator whenever the rules governing the account are changed. The notification must occur prior to or at the time when the new rules are applied to the account. Notification shall be posted on the website utilized for account wagering or by mailing to the player at the player's last-known address. The player shall be deemed to have accepted the rules of account operation upon opening or not closing the account. The site operator and service provider shall present the method of account wagering to the commission for review and approval.
2. To establish an account with the service provider, the player must be approved through a process developed by the service provider and shared with the site operator and commission.
3. The information each player submits must be subject to electronic verification. The verification must identify clients and obtain information

with respect to name, principal residence address, date of birth, and verification of information through testing criteria established by electronic verification pertinent to doing financial business with them. The service provider must verify that the customer is not on the specially designated nationals list, maintained by the United States department of the treasury, or the designated foreign terrorist organizations list, maintained by the United States department of state. If there is a discrepancy between the application submitted and the information provided by the electronic verification described above, or, if no information on the applicant is available from such electronic verification, another individual reference service may be accessed or another technology meeting the requirements described above may be used to verify the information provided. The information secured by the service provider must be documented and available to the site operator and commission upon request. If a player wagers more than ten percent of the monthly amount wagered with the service provider, the service provider shall perform additional identity verification, which must be proportionate to the possible risks and the resources available. The service provider may close or refuse to open an account for what it deems good and sufficient reason and shall order an account closed if it is determined that information that was used to open an account was false or that the account has been used in violation of law or rules.

4. The player shall maintain an account balance established by the service provider and identified in the contract with the site operator. In no event shall the service provider allow wagering on an account with a negative balance.
5. The service provider may offer to players:
 - a. Accounts that are operational for any performance offered by the service provider, whereby wagers are placed by the player at a self-service terminal or by any electronic means.
 - b. The service provider may reserve the right at any time to refuse to open an account, to accept a wager, or to accept a deposit.
 - c. The service provider shall provide, for each player, a confidential account number or user name and password or personal identification number to be used by the player to access the player's account or, at the service provider's option, confirm validity of every account transaction.
6. Deposits may be made in the manner provided by the site operator or service provider. Holding periods will be determined by the service provider, and the player will be informed of this period. A receipt for the deposit may be issued electronically to the player by the service provider.

7. The service provider may only debit an account as follows:
 - a. Upon receipt by the service provider of information needed to place a wager. The service provider shall only debit the account in the amount of the wager at the time the wager is placed.
 - b. For fees for service or other transaction-related charges by the service provider.
 - c. Authorized withdrawal from an account when the player sends to the service provider a properly identifiable request for a withdrawal. The service provider will honor the request contingent on funds being available in the account and subject to funds being collected from the host track and approved by the commission. If the funds are not sufficient to cover the withdrawal, the player will be notified, and the funds that are available may be made available for withdrawal. These transactions will be completed in accordance with financial institutions funds availability schedules.
8. Each player shall be deemed to be aware of the status of that account at all times. Wagers will not be accepted which would cause the balance of the account to drop below the minimum account balance set by the service provider.
9. When a player is entitled to a payout or refund, said moneys will be credited to the respective account, thus increasing the balance. It is the responsibility of the player to verify proper credits, and, if in doubt, notify the service provider within the timeframe identified by the service provider.
10. The service provider shall maintain complete records of every deposit, withdrawal, wager, and winning payment for each player account. These records shall be made available to the commission and site operator upon request.
 - a. Any account wagering system shall provide for the player's review and finalization of a wager before it is accepted by the service provider. Neither the player nor the service provider shall change a wager after the player has reviewed and finalized the wager.
 - b. For wagers made telephonically or electronically the service provider shall make a voice or electronic recording of the entire transaction and shall not accept any such wager if the voice or electronic recording system is not operable. The voice and electronic recording of the transaction shall be deemed to be the actual wager regardless of what was recorded by the pari-mutuel

system.

11. The service provider may close any account when the player attempts to operate with an insufficient balance or when the account is dormant for a period determined by the commission or the site operator. In either case the service provider shall refund the remaining balance of the account to the player within thirty days.

~~12. The service provider shall provide upon request of the commission direct access to the databases and computer systems used by the service provider in the monitoring and control of wagering and account activity.~~

~~123. The service provider shall establish with the site operator the minimum amount due to the site operator as negotiated by each entity. This information should be filed with the commission. In the event of any disagreement or inquiry regarding the amounts due to the site operator which are based on a percentage of handle, the commission may review reports of wagering activity to determine the amounts due and render a report to the service provider and site operator.~~

~~a. The service provider shall provide real-time monitoring of all accounts to the site operator and the commission.~~

~~b. Service providers shall notify site operators of proposed rebate programs thirty days before implementation and receive authorization from site operators before implementation.~~

~~c. Service providers shall provide reports of account wagering activity to the site operator for their review.~~

History: Effective July 1, 2011; amended effective _____, 2015.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-06, 53-06.2-10.1, 53-06.2-14

69.5-01-11-11.2. Totalizator system general provisions.

1. Pari-mutuel wagering utilizes a totalizator to pool wagers. The totalizator system may be located at a site, or may, subject to compliance with applicable law and rules, reside at another location other than within the state of North Dakota.

2. Wagering, subject to commission approval and compliance with applicable law and rules, may be accepted by separate totalizator systems in this or other jurisdictions and combined via communication between totalizator systems.

3. The commission may, without specific reference in these rules, utilize a designee for the purposes of certification, verification, inspection, testing, and investigation. A commission designee may be another commission or equivalent regulatory authority, a multijurisdictional group of regulatory authorities, association of regulatory authorities, or auditing, consulting, security, investigation, legal services, or other qualified entities or persons.
4. The commission may enter into multijurisdictional agreements with other regulatory authorities to facilitate certification of compliance with requirements by, and licensing of, service providers and totalizator companies. Such agreements shall, at a minimum, ensure certification and licensing requirements comparable to this jurisdiction.
5. In the event that any daily electronic files or other totalizator data provided to the commission or a third party auditor designated by the commission for receipt of such information is found to be inaccurate, the totalizator shall provide to the commission or its third party auditor any data files or other data in whatever form that is requested.
6. A totalizator company shall provide access by the commission or its designated representative to its facility, records, and any other information as required by the commission or its representative.

History: Effective July 1, 2011.

General Authority: NDCC 53-06.2-05

Law Implemented: NDCC 53-06.2-04, 53-06.2-05, 53-06.2-08, 53-06.2-10.1, 53-06.2-14