

1                   SUBCHAPTER A. MUTUEL OPERATIONS.

2                   DIVISION 1. GENERAL PROVISIONS.

3           Sec. 321.1. DEFINITIONS AND GENERAL PROVISIONS.

4           (a) The following words and terms, when used in this chapter,  
5 shall have the following meanings, unless the context clearly  
6 indicates otherwise:

7           (1) ASCII formatted flat file - A data file containing  
8 structured data which is both record and field delimited  
9 containing only characters found in the American Standard Code  
10 for Information Interchange (ASCII) specification.

11           (2) Betting interest - a single race animal or a group of  
12 race animals coupled pursuant to the Rules which the totalisator  
13 system designates as an interest on which a patron may wager.

14           (3) Export simulcast - a race simulcast from a racetrack  
15 facility.

16           (4) Firmware - The system software permanently stored in a  
17 computer or ticket issuing machine's read-only memory or  
18 elsewhere in the circuitry that cannot be modified by the user.

19           (5) Guest racetrack - a racetrack facility at which a  
20 simulcast race is received and offered for wagering purposes; a  
21 receiving location, as defined in the Act, §1.03(64).

22           (6) Host racetrack - a racetrack facility at which a race  
23 is conducted and simulcast for wagering purposes; a sending  
24 track, as defined in the Act, §1.03(66).

1           (7) Import simulcast - a simulcast race received at a  
2 racetrack facility.

3           (8) Intelligent Terminal - a terminal or peripheral device  
4 which contains code extending beyond that which is necessary to  
5 allow the terminal to communicate with the central controlling  
6 device to which it is directly attached or to control the  
7 presentation of data on the display unit of the device.

8           (9) Log - an itemized list of each command, inquiry, or  
9 transaction given to a computer during operation.

10          (10) Major Revision - a specific release of a hardware or  
11 software product, including additional functionality, major user  
12 interface revisions, or other program changes that significantly  
13 alter the basic function of the application.

14          (11) Minor Revision - an incrementally improved version of  
15 hardware or software, usually representing an error (bug) fix,  
16 or a minor improvement in program performance which does not  
17 alter basic functionality.

18          (12) Multi-leg wager - a wagering pool that involves more  
19 than one race.

20          (13) Remote site - a racetrack or other location at which  
21 wagering is occurring that is linked via the totalisator system  
22 to a racetrack facility for pari-mutuel wagering purposes.

23          (14) Report - a summary of betting activity.

1           (15) Resultant - the profit-per-dollar wagered in a pari-  
2 mutuel pool computation.

3           (16) Ticketless Electronic Wagering (E-wagering) - a form  
4 of pari-mutuel wagering in which wagers are placed and cashed  
5 through an electronic ticketless account system operated through  
6 a licensed totalisator vendor in accordance with Sec. 11.04 of  
7 this Act. Wagers are automatically debited and credited to the  
8 account holder.

9           (17) [~~(16)~~] TIM - ticket-issuing machine.

10          (18) [~~(17)~~]TIM-to-Tote network - a wagering network  
11 consisting of a single central processing unit and the TIMs  
12 [~~TIM's~~] at any number of remote sites.

13          (19) [~~(18)~~] Totalisator system - a computer system that  
14 registers and computes the wagering and payoffs in pari-mutuel  
15 wagering.

16          (20) [~~(19)~~] Totalisator operator - the individual assigned  
17 to operate the totalisator system at a racetrack facility.

18          (21) [~~(20)~~] Tote-to-tote network - a wagering network in  
19 which each wagering location has a central processing unit.

20          (22) [~~(21)~~] User - a totalisator company employee  
21 authorized to use the totalisator system in the normal course of  
22 business.

23          (b) A reference in this chapter to the mutuel manager  
24 includes the mutuel manager's designee, in accordance with

1 §313.53 of this title (relating to Mutuel Manager) or §315.36 of  
2 this title (relating to Mutuel Manager.)

3 (c) A request required to be made in writing under this  
4 chapter may be transmitted via hand delivery, e-mail, facsimile,  
5 courier service, or U.S. mail.

6 Sec. 321.3. CONDUCT OF WAGERING.

7 (a) An association shall conduct pari-mutuel wagering in  
8 accordance with the Act and the Rules.

9 (b) In conducting pari-mutuel wagering, an association shall  
10 use a totalisator system that:

11 (1) meets the requirements outlined in Subchapter B of  
12 this Chapter; and

13 (2) is approved by the Commission [~~and the Comptroller~~].-

14 (c) An association shall apply in writing to the executive  
15 secretary for approval to offer the types of wagers the  
16 association wishes to offer. An association may offer only the  
17 types of wagers the Commission approves for that association.

18 (d) The stewards or racing judges may cancel a pari-mutuel  
19 pool offered by the association for a race if the stewards or  
20 racing judges have concerns about the integrity of the pool or  
21 the race.

22 Sec. 321.5. PARI-MUTUEL AUDITOR.

23 (a) The pari-mutuel auditor is a representative of the  
24 Commission at a racetrack.

1       (b) The pari-mutuel auditor shall verify the wagering pool  
2 totals for each live and simulcast performance. The pari-mutuel  
3 auditor's verification of the pool totals is the basis for  
4 computing the amount of money to be set aside from each pool for  
5 the following:

6           (1) horse purses;

7           (2) greyhound purses;

8           (3) the State;

9           (4) the Texas Bred Incentive Programs;

10          (5) the association; and

11          (6) the winning wagers.

12       (c) The pari-mutuel auditor shall also assist the executive  
13 secretary, the stewards or racing judges, and the Comptroller in  
14 investigating alleged violations of the Act, the Rules, or the  
15 Comptroller's rules relating to the totalisator system and pari-  
16 mutuel operations.

17       Sec. 321.7. COOPERATION WITH OFFICIALS.

18       If the executive secretary or the Comptroller or any employee  
19 of the executive secretary or Comptroller determines a certain  
20 cashed or canceled ticket, cashed or canceled voucher, computer  
21 printout, mutuel report, or other totalisator or mutuel record  
22 is needed to perform the official's regulatory duties, the  
23 official shall request the item from the mutuel manager. On  
24 receipt of a request under this section, the mutuel manager

1 shall make the information available to the official no later  
2 than the deadline established by the official.

3 Sec. 321.9. SYSTEM FAILURE.

4 (a) During a live racing performance, if the totalisator  
5 system is unable to record wagers received or to guarantee the  
6 integrity of the pari-mutuel pools, the totalisator operator  
7 shall verbally notify the association's mutuel manager. The  
8 totalisator operator shall state whether the problem can be  
9 corrected and if so, the estimated time needed to correct the  
10 problem. The mutuel manager must promptly notify the pari-mutuel  
11 auditor and the stewards or racing judges.

12 (b) If the totalisator operator determines that the problem  
13 cannot be corrected before the scheduled end of the race  
14 performance, the operator shall verbally notify the mutuel  
15 manager. The mutuel manager must promptly notify the pari-mutuel  
16 auditor and the stewards or racing judges of that determination.

17 (c) The stewards or racing judges, after consulting with the  
18 association and after considering the amount of purses and  
19 wagers involved and the time required to repair the totalisator  
20 system, may permit any of the remaining races in the performance  
21 to be run as exhibitions without wagering. If a race is run as  
22 an exhibition under this subsection, the association shall pay  
23 the purses in accordance with the Rules.

1       Sec. 321.11. ACCESS TO MAGNETIC MEDIA.

2       (a) An association shall submit a storage plan for all  
3 magnetic media storing computer logs to the executive secretary  
4 for approval. This plan must include sufficient information for  
5 the executive secretary to determine that the information will  
6 remain secure, including:

7           (1) sufficient space for the totalisator vendor to store  
8 all magnetic media; and

9           (2) a storage cabinet that will protect the media from  
10 damage.

11       (b) An association shall include in its security plans a  
12 means by which access to the magnetic media is restricted.

13       Sec. 321.13. PARI-MUTUEL TRACK REPORT.

14       (a) Daily Pari-Mutuel Summary Report.

15           (1) An association shall prepare a pari-mutuel summary  
16 report for each day that pari-mutuel wagering occurs at its  
17 racetrack facility.

18           (2) The pari-mutuel summary report is the association's  
19 record of wagering activities at the racetrack.

20           (3) The association shall deliver a copy of the pari-  
21 mutuel summary report to the pari-mutuel auditor no later than  
22 24 hours after the date of the performance for which the report  
23 was prepared.

1           (4) The report must contain, by each live and simulcast  
2 performance, the following:

3           (A) net handle at:

4                 (i) the association's racetrack facility; and

5                 (ii) the outlets wagering on the association's live  
6 performance;

7           (B) payouts to the wagering public;

8           (C) breakage;

9           (D) settlements to the host racetrack or guest  
10 racetrack;

11           (E) all purses earned, broken out by source, such as  
12 live, simulcast, cross species, and export [~~type~~];

13           (F) Texas Bred Incentive Program revenue;

14           (G) state tax; and

15           (H) association revenue.

16         (b) Monthly Pari-Mutuel Recap Report.

17           (1) The executive secretary shall prescribe a form for the  
18 monthly pari-mutuel recap report.

19           (2) The association shall file with the executive  
20 secretary a recap of pari-mutuel activity on the prescribed  
21 form. The monthly recap of pari-mutuel activity must be filed no  
22 later than the 30th day after the last day of the month for  
23 which the report is being filed.

1       Sec. 321.15. LICENSE TO PROVIDE TOTALISATOR SERVICES.

2       (a) To provide totalisator services to an association in  
3 Texas, a totalisator company must be licensed by the Commission  
4 as a vendor. The license application must include:

5           (1) a copy of a current written contract to provide a  
6 totalisator system to an association;

7           (2) a list of all totalisator personnel assigned to work  
8 in Texas, or on behalf of an association operating in Texas, as  
9 described in §321.123 of this title (relating to Personnel  
10 Requirements);

11           (3) an affidavit stating that the totalisator company and  
12 its employees will comply with the Rules and the Comptroller's  
13 rules regarding totalisator operations; and

14           (4) information of sufficient detail for the Commission to  
15 determine that the totalisator company is in compliance with  
16 Subchapter B of this chapter.

17       (b) A contract between the totalisator company and an  
18 association must be submitted to the Commission for approval  
19 before the contract's effective date.

20       Sec. 321.17. ACTIVITIES BY MINORS RESTRICTED.

21       (a) An association may not permit an individual who is less  
22 than 16 years old to enter the public area of the association  
23 grounds unless the individual is accompanied by the individual's  
24 parent or legal guardian.

1 (b) An association may not accept a wager from an individual  
2 who has not attained the minimum age required to purchase  
3 alcoholic beverages in this state.

4 Sec. 321.19. WAGERS BY EMPLOYEES OF COMMISSION.

5 A member or employee of the Commission may not place a wager  
6 or cause a wager to be placed on a race conducted or offered for  
7 wagering in this state.

8 Sec. 321.21. CERTAIN WAGERS PROHIBITED.

9 (a) An association may not accept a wager made by mail, ~~[or]~~  
10 by telephone, or by internet. A data communications link for  
11 common pooling purposes is not considered a wager for purposes  
12 of this section.

13 (b) An association may not accept a wager made on credit.

14 DIVISION 2. WAGERING INFORMATION AND RESULTS.

15 Sec. 321.23. WAGERING EXPLANATIONS.

16 (a) An association shall include the following information in  
17 the official live programs and simulcast programs and post in  
18 conspicuous places on association grounds:

19 (1) a general explanation of pari-mutuel wagering;

20 (2) an explanation of each type of pari-mutuel wagering  
21 pool offered; and

22 (3) the expiration date of mutuel tickets.

23 (b) Wagering explanations must be reviewed and approved by  
24 the executive secretary before publication.

1       Sec. 321.25. WAGERING INFORMATION.

2       (a) An association shall make every effort to provide  
3 accurate wagering information to the Texas pari-mutuel patron  
4 for handicapping purposes. Examples of such information include:

- 5           (1) the Daily Racing Form;  
6           (2) the official program; and  
7           (3) tip sheets.

8       (b) If wagering information is inaccurate for a live or  
9 simulcast race and the error is discovered before wagering has  
10 opened on the race, the mutuel manager shall:

- 11           (1) notify the pari-mutuel auditor and the stewards or  
12 racing judges, if available, of the error; and  
13           (2) not open for wagering on the race until the correct  
14 information is obtained and verified.

15       (c) If wagering information is inaccurate for a live or  
16 simulcast race and the error is discovered after wagering has  
17 opened on the race, the mutuel manager shall:

- 18           (1) notify the pari-mutuel auditor and stewards or racing  
19 judges, if available, of the error;  
20           (2) close wagering on the race;  
21           (3) announce via the public address system the wagering  
22 information error;

1           (4) refund the wagers, or pay prices and manually refund  
2 the wagers placed on the affected race by those pari-mutuel  
3 patrons who request a refund; and

4           (5) not reopen for wagering on the race until the correct  
5 information is obtained and verified.

6           Sec. 321.27. POSTING OF RACE RESULTS.

7           An association shall submit to the executive secretary for  
8 approval a plan for providing live and simulcast race results to  
9 the wagering public. The plan must include:

10           (1) methods by which the results will be provided;

11           (2) types of results to be provided; and

12           (3) the retention period of the race results.

13                         DIVISION 3. MUTUEL TICKETS AND VOUCHERS.

14           Sec. 321.29. MUTUEL TICKETS.

15           Each mutuel ticket issued must have printed on its face:

16           (1) the name of the racetrack facility where the wager was  
17 placed;

18           (2) the name of the racetrack where the race was  
19 conducted;

20           (3) the number of the race;

21           (4) the unique computer-generated ticket number;

22           (5) the date the ticket was issued;

23           (6) the date of the race for which the ticket was issued;

24           (7) the number of the ticket-issuing machine;

1 (8) the type of pool;

2 (9) the number of each entry on which the wager was  
3 placed; and

4 (10) the dollar amount of the wager.

5 Sec. 321.31. VOUCHERS.

6 Each voucher issued must have printed on its face:

7 (1) the name of the racetrack facility where the voucher  
8 was issued;

9 (2) the unique computer-generated voucher number;

10 (3) the date the voucher was issued;

11 (4) the number of the ticket-issuing machine; and

12 (5) the dollar amount of the voucher.

13 Sec. 321.33. EXPIRATION DATE.

14 (a) Due to the year-round nature of simulcasting and the  
15 state's fiscal year, the Commission finds a need to establish a  
16 "mutuel year" for purposes of expiration of mutuel tickets and  
17 the collection of revenue from outstanding tickets pursuant to  
18 the Act, §11.08. The mutuel year begins on August 1 and ends on  
19 July 31.

20 (b) A mutuel ticket:

21 (1) expires on the 60th day after the last day of the  
22 mutuel year in which the ticket was purchased; and

23 (2) may not be cashed by an association after the  
24 expiration date for any reason.

1 (c) A voucher has no expiration date.

2 [~~(d) Transition. For 2003 and 2004 only, mutuel tickets~~  
3 ~~purchased on or after January 1, 2003 but before August 1, 2004,~~  
4 ~~expire on September 29, 2004.]~~

5 Sec. 321.34. REFUSAL TO CASH.

6 (a) An association may refuse to cash a mutuel ticket if the  
7 association determines the ticket has been:

8 (1) recorded as previously cashed or canceled;

9 (2) issued after the stop betting command was issued; or

10 (3) altered to appear as a winning ticket.

11 (b) An association may refuse to cash a voucher if the  
12 association determines the voucher has been:

13 (1) recorded as previously cashed; or

14 (2) altered to appear as an outstanding voucher.

15 Sec. 321.35. CLAIM FOR PAYMENT.

16 (a) An association shall accept a claim for payment if the  
17 association has withheld payment or has refused to cash a pari-  
18 mutuel ticket or a voucher presented for payment. The claim must  
19 be made on a form prescribed by the association and signed by  
20 the claimant. The original of the claim shall be promptly  
21 forwarded to the Commission.

22 (b) If a claim is made for payment of a mutilated ticket that  
23 does not contain the information required under §321.29 of this  
24 title (relating to Mutuel Tickets), the association shall make a

1 recommendation to accompany the claim forwarded to the  
2 Commission. The recommendation must state whether or not the  
3 mutilated ticket has sufficient elements to be positively  
4 identified as a winning ticket.

5 (c) If a claim is made for payment of a mutilated voucher  
6 that does not contain the information required under §321.31 of  
7 this title (relating to Vouchers), the association shall make a  
8 recommendation to accompany the claim forwarded to the  
9 Commission. The recommendation must state whether or not the  
10 mutilated voucher has sufficient elements to be positively  
11 identified as an outstanding voucher.

12 (d) If a claim is made for the payment of a mutuel ticket or  
13 a voucher, the executive secretary shall investigate the claim  
14 and may:

15 (1) order the association to pay the claim;

16 (2) deny the claim; or

17 (3) enter any other order the executive secretary  
18 determines appropriate.

19 (e) A claim may not be made for a lost or destroyed mutuel  
20 ticket or voucher.

21 Sec. 321.37. CASHED TICKETS AND VOUCHERS.

22 (a) An association shall maintain facilities and use  
23 procedures that ensure the security of cashed tickets and  
24 vouchers and the integrity of records of outstanding tickets.

1 (b) The association shall store cashed tickets and vouchers  
2 in a secure area.

3 (c) The association shall prohibit individuals other than the  
4 association's mutuel manager from having access to the cashed  
5 tickets and vouchers or to storage areas for outstanding ticket  
6 records.

7 Sec. 321.39. ALTERING CASHED TICKETS AND CASHED VOUCHERS.

8 An association shall ensure that each cashed or refunded  
9 mutuel ticket and cashed voucher is altered in a manner that  
10 indicates the mutuel ticket or voucher has been cashed or  
11 refunded, but does not destroy the identity of the ticket or  
12 voucher.

13 Sec. 321.41. CASHING OUTSTANDING TICKETS.

14 (a) For purposes of this section, an outstanding ticket is  
15 one that was purchased for a race held at least 10 days before  
16 the date the ticket is presented for payment.

17 (b) An association shall designate one ticket window where a  
18 patron must cash an outstanding ticket. If the association needs  
19 more than one window, the association must submit a written  
20 request for approval from the executive secretary for additional  
21 windows.

22 (c) The association may not permit an outstanding ticket to  
23 be cashed at a ticket window other than a designated window.

1 (d) At the end of each race day, the mutuel manager shall  
2 deliver to the pari-mutuel auditor:

3 (1) a list of the outstanding tickets that were cashed on  
4 the previous race day; and

5 (2) a photostatic copy of each outstanding ticket cashed  
6 on the previous race day.

7 (e) In the event a photostatic copy cannot be provided, the  
8 association will not be held liable for a reader cashed ticket  
9 if the association can produce documentation to support the  
10 ticket's existence.

11 Sec. 321.43. CANCELLATION OF WIN WAGERS.

12 (a) An association may not cancel a win wager for more than  
13 \$500 on any live or simulcast race offered for wagering by the  
14 association, unless:

15 (1) the patron requests to cancel the wager before the  
16 patron leaves the teller's window and before the ticket-issuing  
17 machines are locked; or

18 (2) the stewards or racing judges order the wager to be  
19 canceled because of a scratch in the race.

20 (b) If a patron desires to cancel a wager that is on the same  
21 mutuel ticket as a win wager that may not be canceled under this  
22 section, the association may cancel the ticket but must  
23 immediately replace the win wager that was on the ticket.

1 (c) An association shall post a notice by each automatic  
2 ticket-issuing machine that states that a win wager for more  
3 than \$500 may not be canceled except if the stewards or racing  
4 judges order the wager to be canceled because of a scratch in  
5 the race.

6 (d) An association may adopt a house policy regarding the  
7 cancellation of win wagers that is more restrictive than this  
8 section, subject to the approval of the executive secretary.

9 Sec. 321.45. TELLER'S RECORDS.

10 Each pari-mutuel teller for an association shall retain and  
11 account for all mutuel tickets or vouchers cashed, refunded or  
12 canceled by the teller.

13 SUBCHAPTER B. TOTALISATOR REQUIREMENTS AND OPERATING  
14 ENVIRONMENT.

15 DIVISION 1. FACILITIES AND EQUIPMENT.

16 Sec. 321.101. PURPOSE.

17 A totalisator system can be relied upon only if it has an  
18 adequate system of internal controls. The Commission adopts  
19 these rules for totalisator companies and operations to increase  
20 the Commission's level of reliance on the totalisator employees,  
21 equipment, programming, maintenance, and operations in this  
22 state and to ensure all totalisator operations maintain the  
23 integrity of pari-mutuel wagering.

1       Sec. 321.103. FACILITY REQUIREMENTS.

2       (a) Totalisator Room. An association shall provide a  
3 totalisator room to house the main computing and communications  
4 equipment or [~~and~~] the operator's terminal at the association's  
5 facility, whichever is applicable. The room must include:

6           (1) air conditioning with humidity control to maintain a  
7 stable environment that meets the specifications of the computer  
8 equipment manufacturer;

9           (2) a master power switch that allows all or part of the  
10 equipment housed in the room to be turned off in an emergency;

11          (3) a smoke/fire alarm system that sounds locally and is  
12 tied into the association's master alarm system;

13          (4) fire extinguishers to deal with minor electrical  
14 fires;

15          (5) an internal communication system connecting the  
16 totalisator operator with:

17           (A) the stewards or racing judges;

18           (B) the mutuel manager;

19           (C) each betting line; and

20           (D) the pari-mutuel auditor's office; and

21          (6) a private outside line for communication with  
22 supervisors, programmers, or totalisator personnel at other  
23 sites.

1       (b) Totalisator Room at a Central Processing Location. An  
2 association may contract with a totalisator service that uses a  
3 central processing location off the association's grounds. The  
4 association shall:

5           (1) provide an on-site totalisator room that satisfies the  
6 requirements in subsection (a) of this section;

7           (2) ensure the totalisator central processing location  
8 satisfies the requirements of paragraphs (a)(1) through (a)(4)  
9 of this section; and

10          (3) ensure the totalisator central processing location has  
11 a communications system connecting the central processing  
12 location operator with:

13           (A) the totalisator operator at the association's  
14 facility; and

15           (B) a private outside line for the communication with  
16 supervisors, programmers, or totalisator personnel at other  
17 sites.

18       (c) Totalisator Room Security.

19           (1) The totalisator room housing the CPU or operator's  
20 terminal that processes wagers made at an association's facility  
21 must be secured at all times. Annually on a date established by  
22 the executive secretary, the association shall submit to the  
23 executive secretary for approval a security plan for the  
24 totalisator room housing the CPU or operator's terminal that

1 processes wagers made at the association's facility. The  
2 security plan must include:

3 (A) a security system covering the totalisator room and  
4 any other related service, electrical, or equipment room that  
5 consists of locking closed doors and detecting unauthorized  
6 entry;

7 (B) a system of controlled entry to the totalisator  
8 room and other related rooms, using:

9 (i) locking devices on all doors or entry points;

10 (ii) controlling the distribution of keys or codes  
11 necessary to unlock the doors; and

12 (iii) a sign-in log for visitors escorted by  
13 authorized personnel.

14 (2) If the totalisator room housing the CPU or operator's  
15 terminal processing wagers made at the association's facility is  
16 located on property owned or controlled by the association, the  
17 association shall limit entry to the totalisator room to  
18 totalisator, association, and Commission personnel approved by  
19 the executive secretary. The association shall submit a list of  
20 the individuals to be approved for totalisator room access at  
21 least two weeks before the first day of each live race meeting  
22 and each time a personnel change necessitates a change to the  
23 list.

1           (3) If the totalisator room housing the CPU or operator's  
2 terminal processing wagers made at the association's facility is  
3 not located on property owned or controlled by the association,  
4 the totalisator company shall limit entry to the totalisator  
5 room in accordance with the totalisator company's policy. The  
6 association shall provide a copy of the totalisator company's  
7 policy regarding totalisator room access to the executive  
8 secretary.

9           Sec. 321.105. HARDWARE REQUIREMENTS.

10          (a) Cash/Sell System.

11           (1) An association shall use a cash/sell totalisator  
12 system. The system must comply with these Rules regardless of  
13 the location of the central processing unit for the system.

14           (2) A totalisator system must be a multi-computer or  
15 multi-processor system with varying degrees of independence in  
16 the transaction processing and system control functions  
17 distributed among the computers. The computers must be  
18 configured so that if one computer actively tracking events  
19 fails, another computer will immediately take over all functions  
20 of the failed computer.

21          (b) Schematic Chart.

22           (1) The totalisator company must provide to the Commission  
23 an overview of the equipment in the totalisator systems in use  
24 at the Texas racetrack facilities the company services. The

1 overview must be a detailed schematic chart showing the  
2 interconnections of each piece of hardware.

3 (2) The chart must indicate, where appropriate, the part  
4 of the database each terminal can access as well as the amount  
5 and degree of access each terminal has to the application and  
6 operating system programs. The schematic chart must also reflect  
7 the usual and potential user types assigned to each terminal.

8 (3) The schematic chart must be submitted to the  
9 Commission at least two weeks before the scheduled date for  
10 system installation and testing.

11 (4) If the totalisator company desires to change any  
12 component in the hardware layout, the company must revise the  
13 schematic chart and submit it to the executive secretary for  
14 approval before installation.

15 (c) Peripherals. A totalisator system must include the  
16 following peripherals:

17 (1) a log printer for each computer if the system is  
18 unable to reproduce the logs upon request;

19 (2) a master control terminal that allows the operator to  
20 execute routine maintenance and operational functions based on  
21 individual operator identification/authentication;

22 (3) user terminals that allow restricted system access to  
23 the mutuel manager, money room personnel, and the stewards or  
24 racing judges;

1           (4) wagering information screen displays that meet the  
2 requirements of §321.25 of this title (relating to Wagering  
3 Information);

4           (5) data storage devices to record necessary system data;  
5 and

6           (6) backup devices capable of recording complete system  
7 information on removable media for storage and restoration.

8           (d) Stop wagering devices.

9           (1) The totalisator company shall install two separate  
10 devices that activate the stop wagering function of the  
11 totalisator system.

12           (2) The primary device must be located in or near the  
13 stewards or racing judges, in a location approved by the  
14 executive secretary, to issue the stop wagering command during  
15 normal operations and activate the "off bell."

16           (3) The secondary "back up" device must be installed in  
17 the totalisator room to allow the totalisator operator to issue  
18 the stop wagering command if a totalisator malfunction or human  
19 error prevents the totalisator system from activating the stop  
20 wagering function at the appropriate time.

21           (e) Tote Board. The tote board must:

22           (1) update the odds on each betting interest in the win  
23 pool at intervals of not more than 60 seconds, and

1           (2) allow the stewards or racing judges or a designee of  
2 the stewards or racing judges to post the order of finish, the  
3 official sign, inquiry sign, objection sign, or dead heat sign.

4           (f) Uninterruptible Power Supply (UPS).

5           (1) The computer system must be supported by an  
6 uninterruptible power supply (UPS) to allow for system shutdown  
7 if a power failure occurs. In a system shutdown, all wagering  
8 data in the computer at the time of the failure must remain  
9 intact and all race and end-of-day reports must be produced.

10           (2) The UPS must be able to supply even power to the  
11 totalisator system, within accepted limits, when a power surge  
12 or drop occurs.

13           (3) The alarm associated with the UPS must be readily  
14 recognizable by the totalisator operator from inside the  
15 totalisator room.

16           (g) Ticket Issuing Machines.

17           (1) A local area TIM, also known as a cash/sell teller  
18 terminal, is not required to be intelligent, but must have an  
19 individual identity within the network.

20           (2) The programming of intelligent local area and remote  
21 TIMs must be limited to communication with the main computer,  
22 maintenance routines, and dynamic terminal configuration  
23 routines.

1           (3) A program related to the production or verification of  
2 the wager identification number printed on a mutuel ticket or  
3 assigned by the main computer may not reside in a TIM.

4           (4) A TIM may not access, alter, change, or manipulate the  
5 wagering database except to conduct the wagering or cashing  
6 functions necessary [~~for a teller~~] to serve the public.

7           (h) Ticketless Electronic Wagering (E-wagering). An  
8 association may not use E-wagering devices unless approved by  
9 the executive secretary as required by Subchapter E of this  
10 Chapter.

11          (i)~~(h)~~ Maintenance. A totalisator company shall provide  
12 sufficient preventative maintenance to a totalisator system to  
13 ensure the system hardware will provide a high degree of  
14 reliability. Maintenance must include testing the UPS for  
15 battery life and power stability.

16          (j) ~~(i)~~ Common Pooling.

17           (1) An association shall use a totalisator system that  
18 operates in either a Tote-to-Tote network or a TIM-to-Tote  
19 network. The totalisator system must, without regard to the  
20 location of the CPU:

21           (A) meet the requirements of this chapter;

22           (B) comply with the Rules;

23           (C) use the current version of Inter-Tote Systems

24 Protocol recognized by the ARCI Tote Standards Committee; and

1           (D) uses the current version of Standardized Track  
2 codes recognized by the ARCI Tote Standards Committee.

3           (2) An association may common pool if all equipment used  
4 is of an approved type and in an approved location.

5           (3) The host racetrack for which a common pool is created  
6 must also provide a totalisator system that:

7           (A) directs each totalisator system involved with the  
8 common pool regarding the pools offered, live and scratched race  
9 animals, common pool totals, network odds and probable payout,  
10 start and stop wagering commands, official orders of finish,  
11 deduction and payout calculations; and

12           (B) produces reports showing the amount wagered on each  
13 race animal and pool from each site, in accordance with the  
14 current Inter-Tote Systems Protocol.

15           (4) A totalisator company must have a disaster recovery  
16 plan to allow an association to continue to conduct pari-mutuel  
17 wagering in the event of a disaster at the CPU's location.

18       (k) [~~(j)~~] Emergency Procedures.

19           (1) The totalisator system must be supported by an  
20 uninterruptible power supply (UPS) as described in subsection  
21 (f) of this section.

22           (2) A totalisator company must have emergency procedures  
23 to address a totalisator system failure. The procedures will  
24 apply whether the system is operating as a stand-alone wagering

1 site for separate pool wagering or as a satellite in a common  
2 pool network.

3 (3) In a Tote-to-Tote network, if system failure occurs at  
4 either the remote site or the host, the pari-mutuel auditor and  
5 the network's mutuel and system managers shall establish the  
6 pools for the unaffected sites. The failure site shall cease  
7 wagering. The pari-mutuel auditor shall then determine when the  
8 failed pari-mutuel system may resume operation.

9 Sec. 321.107. SOFTWARE REQUIREMENTS.

10 (a) General requirements.

11 (1) The totalisator system program must be able to:

12 (A) sell, calculate, and cash according to the pool  
13 profile, current Rules, and number of races;

14 (B) produce the required reports and logs;

15 (C) accept advanced wagers;

16 (D) network with the remote wagering sites;

17 (E) offer simultaneous wagering cards;

18 (F) allow access to program functions and

19 identification of each user based on the user ID's/passwords;

20 (G) automatically maintain , all carry-over data

21 required for the next performance on a rotating basis, including

22 system date and time, without operator intervention;

1           (H) be subject to modification only by individuals  
2 holding specific user ID's that allow gateways to the operating  
3 system;

4           (I) document changes to production programs, including  
5 who made the change and when the change was made;

6           (J) provide software or hardware restrictions that  
7 eliminate the capability of printing duplicate on-line tickets;

8           (K) provide software or hardware restrictions that  
9 reduce the possibility of invalid claims on unclaimed winners;

10           (L) be able to detect abnormal system operation and the  
11 cause, such as a validation problem, communication difficulty,  
12 and computer downtime, and immediately notify the totalisator  
13 operator;

14           (M) generate data usable across two major revisions,  
15 and within all minor revisions or retrieve archived data reports  
16 requested by the Commission within twenty-four hours; and

17           (N) contain a utility program that backs up the  
18 totalisator system and schedules these backups at regular  
19 intervals.

20           (2) The operating system must be separated from the  
21 application program. The operating system must be based on  
22 identified individual users and maintain auditable records of  
23 those users.

1           (3) The totalisator company must provide to the Commission  
2 an inventory of all programs included in the system.

3           (4) A totalisator system must be able to produce a copy of  
4 all data necessary to re-create the wagering activity of any  
5 race performance that the executive secretary requests.

6           (b) Documentation. Software documentation, using computer  
7 software industry accepted methods, must be available to the  
8 Commission upon request.

9           (c) Backup. The totalisator system must be backed-up to  
10 removable media. Before beginning operations in this state, the  
11 totalisator company shall submit a backup procedure plan to the  
12 executive secretary for approval.

13           (d) Changes to Totalisator Software.

14           (1) All changes to the software on the central site  
15 computers, peripherals, or firmware changes downloaded to  
16 terminals are subject to the approval of the executive  
17 secretary.

18           (2) A change to the software may not be initialized or  
19 operated during wagering until tested and approved by the  
20 executive secretary. The daily computer log must show:

21                   (A) when a change was loaded into the totalisator  
22 system;

23                   (B) the time the work commenced and the time the work  
24 was completed; and

1 (C) when the old software was removed from the system.

2 (3) If a software problem occurs during wagering  
3 operations, the programmers may make an emergency fix to the  
4 totalisator software. No later than 24 hours after the fix has  
5 been made to the software, the totalisator company shall file a  
6 written report with the executive secretary that states:

7 (A) the situation that caused the need for the fix; and

8 (B) the corrective changes the programmers made.

9 DIVISION 2. OPERATIONAL REQUIREMENTS.

10 Sec. 321.121. GENERAL MANAGEMENT REQUIREMENTS.

11 (a) Programming.

12 (1) A totalisator company shall develop and maintain  
13 written procedure manuals that outline structured programming  
14 methods used by the programmers. The manuals must give the  
15 programmers sufficient information to understand the programming  
16 methodologies, base operating systems, and maintenance  
17 procedures.

18 (2) The totalisator company shall develop and maintain a  
19 written Systems Development Life Cycle (SDLC) that requires  
20 sign-offs at pertinent checkpoints. The SDLC must address the  
21 following or the equivalent as approved by the executive  
22 secretary:

1           (A) a procedure for accepting written requests for  
2 systems design or major program changes from users and a method  
3 for handling and recording these requests;

4           (B) the feasibility study stage;

5           (C) the general systems design stage;

6           (D) detailed systems specification;

7           (E) program testing;

8           (F) system testing;

9           (G) conversion; and

10          (H) systems acceptance by the totalisator company.

11          (3) A totalisator company must develop and follow  
12 procedures to manage all program changes without regard to the  
13 complexity of the modification. The procedures must:

14           (A) establish controls to prevent unauthorized and  
15 potentially inaccurate program changes from being incorporated  
16 into the production environment;

17           (B) regulate both scheduled and emergency changes to  
18 ensure the integrity of the computer system;

19           (C) permit revisions of computer programs only after  
20 receiving a written request from a user, submitted on a  
21 sequentially numbered change request form, which is maintained;.

22           (D) require program changes to be developed, tested,  
23 and compiled only in a test environment that is not connected to  
24 an on-line totalisator network; and

1           (E) require all program changes to be thoroughly  
2 tested, reviewed and approved by a totalisator company  
3 supervisor before being placed into production.

4           (4) Before a totalisator company may place a major  
5 programming revision into production or transfer any data  
6 affected by the revision from the test environment to the  
7 production environment, the totalisator company must submit a  
8 written description of the programming revision to the executive  
9 secretary for approval.

10          (b) Totalisator Operations. A totalisator company shall  
11 maintain a written operations manual for each totalisator  
12 system. The manual must clarify the authority, duties,  
13 responsibilities, and lines of communication for totalisator  
14 operators and network managers. The manual must contain  
15 sufficient detail to ensure totalisator personnel perform their  
16 job duties effectively. The operations manual must include  
17 complete documentation for operation of the totalisator system  
18 and its software, including:

19           (1) the duties described in §321.123 of this title  
20 (relating to Personnel Requirements);

21           (2) clearly defined restrictions for totalisator room  
22 access;

23           (3) general block diagrams of program options (menu tree)  
24 available to totalisator operators;

1           (4) a glossary of terms used in reports, including  
2 formulas for calculating the displayed results;

3           (5) the relationship, if any, between information  
4 contained in reports;

5           (6) start-up and shutdown procedures;

6           (7) general operating procedures;

7           (8) restart and recovery procedures; and

8           (9) emergency procedures, including a list of individuals  
9 to notify if a system requires an emergency revision.

10          (c) Information to Commission. A totalisator system shall  
11 provide to the Commission on request pari-mutuel wagering data  
12 on media readable by the Commission. The totalisator company  
13 shall also provide documentation about the structure of the  
14 data.

15          (d) Business Contingency Plan. A totalisator company must  
16 submit and obtain executive secretary approval for a business  
17 contingency plan that addresses the company's ability to  
18 continue or resume operations if a catastrophic event disrupts  
19 normal business operations. The plan must be submitted annually  
20 on a date established by the executive secretary. The executive  
21 secretary may specify the types of occurrences that the plan  
22 must address.

23          (e) A totalisator company is subject to licensing,  
24 inspection, and regulation by the Commission to ensure the

1 integrity of the information obtained by use of its software and  
2 equipment and employees.

3 Sec. 321.123. PERSONNEL REQUIREMENTS.

4 (a) General Requirements.

5 (1) A totalisator company must provide necessary personnel  
6 to perform the duties described in the Rules. The totalisator  
7 company shall employ a sufficient number of personnel to ensure  
8 an adequate segregation of duties between the personnel  
9 performing the network manager, programmer, totalisator  
10 operator, and technician duties. The totalisator company may use  
11 job titles different from those in the Rules.

12 (2) The totalisator company must have job descriptions  
13 containing the experience, education, and organization training  
14 requirements for each of the following totalisator positions:

15 (A) network manager;

16 (B) programmer / software engineer;

17 (C) systems analyst;

18 (D) totalisator operator; and

19 (E) technicians. [~~and~~]

20 (3) The totalisator company must certify in writing that  
21 its personnel are properly trained to program, manage, operate,  
22 and maintain the totalisator system. The totalisator company  
23 must provide ongoing training to its personnel and document the  
24 training.

1           (4)The totalisator company is responsible for the actions  
2 of its personnel relating to the operations and use of the  
3 totalisator system. The totalisator company shall designate an  
4 individual to act as a point of contact for communications  
5 between the Commission and the totalisator company.

6           (5) The executive secretary may determine which  
7 totalisator employees must be licensed.

8           (6) With each license application, a totalisator company  
9 must include a list of all certified totalisator personnel  
10 assigned to work in Texas. The list must indicate the position  
11 for which each person is qualified. If a new employee is  
12 assigned to work in Texas, the totalisator company must update  
13 the list of certified personnel and provide it to the executive  
14 secretary.

15           (7) [~~+6~~] A totalisator company employee may not hold a  
16 position of programmer and totalisator operator simultaneously  
17 unless approved by the executive secretary.

18           (8) [~~+7~~] A totalisator company employee is prohibited  
19 from wagering in Texas while on duty.

20           (b) Network Manager. A network manager shall:

21           (1) coordinate the totalisator company's totalisator  
22 systems operating in Texas;

23           (2) ensure each totalisator operator follows proper  
24 procedures when operating the totalisator system;

1           (3) determine the on-site and off-site storage locations  
2 for the back-up media;

3           (4) provide information and prepare any report requested  
4 by the association, the executive secretary, or the Comptroller;  
5 and

6           (5) ensure a current list of personnel is maintained, all  
7 totalisator operators are qualified, and the appropriate pari-  
8 mutuel accounts are maintained within the operating system and  
9 application programs.

10         (c) Totalisator operator. A totalisator operator shall:

11           (1) maintain the communication links to the locations to  
12 and from which the racetrack facility is simulcasting and ensure  
13 data is transmitted accurately;

14           (2) consult with the mutuel manager and the pari-mutuel  
15 auditor, if available, when a problem occurs in determining a  
16 pool or calculation and suggest alternatives for continued  
17 operation, including possible temporary restrictions on or  
18 suspension of the communication links;

19           (3) perform necessary daily performance testing, system  
20 initialization, monitoring of wagering operations, and system  
21 shutdown;

22           (4) execute established procedures to shutdown system  
23 software and hardware in emergency situations including loss of  
24 communication between computers or peripheral devices, power

1 surges or failures, operating with a partial system, and  
2 restarting the system during a performance;

3 (5) perform necessary system maintenance;

4 (6) perform daily back-ups as outlined in §321.107(c) of  
5 this title (relating to Software Requirements);

6 (7) ensure information is entered in the tote maintenance  
7 log detailing all repairs or modifications to the totalisator  
8 system;

9 (8) provide to the pari-mutuel auditor an incident report,  
10 no later than 48 hours after the time of the incident,  
11 addressing [~~detailing~~] each unusual occurrence during  
12 totalisator system operations including a description of the  
13 probable cause of the occurrence and the corrective action  
14 taken;

15 (9) maintain a copy of the incident report or enter  
16 information about the occurrence in the system incident log for  
17 each unusual occurrence during totalisator system operations;  
18 and

19 (10) consult with the pari-mutuel auditor regarding any  
20 other operational issues encountered.

21 (d) Technicians. The totalisator company may provide  
22 technicians to service and maintain the totalisator. The  
23 technicians perform maintenance on TIMS and the tote board.

1       Sec. 321.124. WAIVERS FOR TECHNOLOGICAL ADVANCEMENT OR OFF-  
2       SITE PROCESSING.

3       (a) Because the Commission and Comptroller recognize that  
4       technology and the locations for processing wagers change, an  
5       association or totalisator licensee may petition the Commission  
6       for a waiver of the Rules under this Chapter.

7       (b) To petition for a waiver under this section, the licensee  
8       must submit to the executive secretary a written application  
9       describing in detail the purpose, nature, duration, and extent  
10      of the requested waiver. The application must also include the  
11      process by which existing requirements of the system will be  
12      properly maintained.

13      (c) The Commission may not grant the waiver unless the  
14      Commission determines the requested waiver will not decrease the  
15      efficiency, speed, or accuracy of either the existing pari-  
16      mutuel wagering system or the Commission's audit function.

17      Sec. 321.125. TOTALISATOR NETWORK.

18      Common pools must be merged and calculated at the site the  
19      totalisator company designates as the network-computing center.  
20      In a Tote-to-Tote network or at remote sites, the totalisator  
21      company providing totalisator services for the association must  
22      use the Inter-Tote System Protocol endorsed by the Association  
23      of Racing Commissioners International.

1       Sec. 321.127. DATA TRANSMISSION PROTOCOLS.

2       (a) An association using a TIM-to-Tote network may use  
3 whatever communications protocol it wishes.

4       (b) A remote site is considered part of a Tote-to-Tote  
5 network and is subject to the requirements of §321.105 of this  
6 title, relating to Hardware Requirements).

7       (c) If the failure to compile pools or payout winning prices  
8 is isolated to a remote site, the stopping of wagering or the  
9 manual cashing and accounting of tickets need only occur at the  
10 affected site. The relevant information must be transmitted  
11 between the CPU and the remote site through the normal  
12 communication link or facsimile machine and must be verified by  
13 the voice link.

14               DIVISION 3. REPORTING AND LOG REQUIREMENTS.

15       Sec. 321.131. GENERAL REQUIREMENTS.

16       (a) General Requirements.

17               (1) A totalisator system must be able to produce hard copy  
18 reports and logs necessary to audit pari-mutuel activity and to  
19 recreate any given day of wagering in its entirety.

20               (2) A totalisator company shall retain the information  
21 needed to produce these reports and logs on storage devices for  
22 at least 365 days after the date the wagering occurred.

23               (3) A totalisator company shall provide a report or log  
24 requested by the executive secretary no later than 48 hours

1 after the totalisator operator receives the request. A printed  
2 report must have consecutively numbered pages. Each page of the  
3 report must be headed with:

4 (A) the name of the race track;

5 (B) the date and time (in hours, minutes, and seconds)

6 the report was produced;

7 (C) the performance number if applicable;

8 (D) the wagering site to which the report refers; and

9 (E) the version of software in use.

10 Sec. 321.133. PRE-RACE REPORTS.

11 On request by the mutuel manager or pari-mutuel auditor,  
12 before starting wagering each day, the totalisator operator  
13 shall print any of the following reports:

14 (1) a System Initialization Report showing:

15 (A) the date and time the system was initialized; and

16 (B) the identity of the totalisator operator

17 initializing the system;

18 (2) a Configuration Parameter Report showing:

19 (A) the pools that may be offered and that are

20 currently operational in the totalisator system;

21 (B) the display cycle frequency, pools, any minimum

22 pool required, minimum wagers, and means of display of any

23 approximate odds or will-pays produced;

1           (C) the minimum and maximum value of wagers for every  
2 pool that a TIM may accept;

3           (D) which TIMs are activated;

4           (E) which remote sites may input into the totalisator  
5 system;

6           (F) the split percentages and payout parameters for  
7 each multi-leg pool offered;

8           (G) verification of all operational locking devices;

9           (H) the amount of delay between locking switch  
10 activation and actual stop betting or canceling;

11           (I) the canceling parameters for regular and  
12 supervisory TIMs;

13           (J) configurations placed on each TIM;

14           (K) the method of breakage and rounding used in  
15 calculating the payout;

16           (L) takeout percentages for each host site and for the  
17 live races; and

18           (M) federal tax withholding rates and parameters;

19           (3) a Race Information Report showing for each live race  
20 and simulcast performance to be offered:

21           (A) the pools to be opened, indicating totals starting  
22 at zero and totals starting with money from advance wagering;

23           (B) pool summaries of all advance wagering;

24           (C) money added due to overages;

1           (D) underpayments or money added due to carry-overs;  
2 and

3           (E) the race animals for each race, showing entries and  
4 scratched animals;

5           (4) an Odds Report showing the opening line of odds for  
6 the Win pool; and

7           (5) a TIM Report listing the teller's name and location.

8       Sec. 321.135. RACE-BY-RACE REPORTS.

9       For each race offered, the totalisator system must be capable  
10 of printing the following reports and have them available for  
11 review by the mutuel manager, and/or the pari-mutuel auditor, if  
12 available:

13           (1) a Scratch Report showing the time each late scratch  
14 was entered into the totalisator system and the amount of money  
15 to be refunded in each pool;

16           (2) a Betting Report, produced immediately on activation  
17 of the stop betting command and final merge of wagering  
18 information from all sites showing:

19           (A) the amount wagered and to be refunded for each  
20 betting interest or combination in each pool offered, and the  
21 net amount for each pool to be used for calculating the payout;  
22 and

23           (B) the final dollar odds for the Win pool;

1           (3) a Calculating Price Report, produced before each race  
2 is declared official, showing for each pool:

3           (A) the winning betting interests or combinations;

4           (B) the winning wagers;

5           (C) the minimum payout prices;

6           (D) the breakage; and

7           (E) the amount paid to the public;

8           (4) a Probable Payout Report showing the payouts for the  
9 Daily Double, subject to scratches, cancellations; and dead  
10 heats;

11           (5) a Scan Report for multi-leg pools of four or more  
12 legs, showing:

13           (A) the total wagered in the pool;

14           (B) the amounts of any carryover;

15           (C) the winners of completed legs;

16           (D) the amount of possible winning wagers, based on  
17 paying the winner of completed legs combined with every betting  
18 interest entered in subsequent legs; and

19           (E) late scratches in each leg;

20           (6) a Race Summary Report, produced before and after the  
21 race results are official, showing as the sum for all pools paid  
22 out in that race:

23           (A) the amount wagered;

24           (B) the amount refunded;

1 (C) the net amount to be used for calculating the  
2 payout;

3 (D) any money added to the pool;

4 (E) the actual pool total;

5 (F) the total commissions;

6 (G) the breakage;

7 (H) the amount paid to the public;

8 (I) the carryover balances; and

9 (J) the liabilities (due to/due from); and

10 (7) the Daily Summary Report, produced with the Race  
11 Summary Report, showing the cumulative totals, for each pool and  
12 for all pools combined, of the items listed under the Race  
13 Summary Report.

14 Sec. 321.137. END-OF-DAY REPORTS.

15 After wagering has ceased each day, the totalisator operator  
16 shall print the following reports and provide them to the mutuel  
17 manager and the pari-mutuel auditor, if available:

18 (1) the Teller Balance Report showing for every TIM  
19 operated on that day including:

20 (A) the teller's name or identification number, or a  
21 patron activated designation;

22 (B) the total value and number of tickets sold,  
23 canceled, and cashed, separating the outs from the current day's  
24 tickets;

1           (C) the total amount of money drawn from the money  
2 room, including the beginning draws;

3           (D) the total amount of money returned to the money  
4 room; and

5           (E) a listing of adjustments made to each TIM balance  
6 after each TIM has been individually balanced;

7           (2) the Wagering Summary Report showing:

8           (A) by wagering site, the amount wagered, refunded, and  
9 added for every pool and for each race;

10           (B) the time of day each race's pools closed;

11           (C) the commissions deducted, breakage calculated, and  
12 amount paid out for every pool in each race;

13           (D) the total value of outstanding tickets before the  
14 pools were opened for the performance, the value of tickets  
15 cashed during the performance, the value of tickets to be added  
16 to the outstanding ticket total, and the new outstanding ticket  
17 total; and

18           (E) the total value of outstanding vouchers before the  
19 pools were opened for the performance, the value of vouchers  
20 cashed during the performance, the value of vouchers to be added  
21 to the outstanding voucher total, and the new outstanding  
22 voucher total;

1           (3) the System Balance Report comparing the pool and paid-  
2 out totals obtained by processing the transaction files with the  
3 pool and paid-out totals obtained from the actual calculations;

4           (4) the Money Room Balance Report showing cash added and  
5 subtracted from the beginning day's balance resulting from the  
6 day's wagering and cashing transactions; and

7           (5) the IRS Report showing the winner's social security  
8 number, the ticket number, amount won, and taxes withheld for  
9 each transaction requiring a Form W2-G.

10       Sec. 321.139. AD HOC REPORTS.

11       When requested by the pari-mutuel auditor or executive  
12 secretary, the totalisator operator shall produce the following  
13 reports:

14           (1) an Odds Progression Report showing each successive  
15 line of odds for the Win pool and the time it was displayed to  
16 the public;

17           (2) a Ticket History Report showing the appropriate  
18 portion of the ticket history log for the requested ticket  
19 identification numbers;

20           (3) a Terminal History Report showing the portion of the  
21 terminal log requested;

22           (4) an Outstanding Ticket Report showing the following  
23 information for uncashed winning tickets retained in the  
24 totalisator system:

1 (A) the ticket identification number;

2 (B) the wagers on the ticket;

3 (C) the date and performance for which the ticket is  
4 outstanding;

5 (D) the value of the winning wagers; and

6 (E) the TIM location and number;

7 (5) an Outstanding Tickets Cashed Report, for a  
8 performance, race, or pool, showing each outstanding ticket  
9 cashed that day, in the form of the Outstanding Ticket Report,  
10 including the identity of the TIM that cashed the ticket and an  
11 indication as to whether the ticket was cashed using a manual  
12 keyboard entry or an automatic machine read;

13 (6) a Manually Cashed Tickets Report, for a performance,  
14 race, or pool, showing every ticket cashed that day in the form  
15 of the Ticket History Report, the identity of the TIM that  
16 cashed the ticket, and an indication as to whether the ticket  
17 was cashed using a manual keyboard entry or an automatic machine  
18 read;

19 (7) a Canceled Tickets Report, for a performance or race,  
20 showing each ticket canceled that day in the form of the Ticket  
21 History Report, the identity of the TIM that cashed the ticket,  
22 and an indication as to whether the ticket was cashed using a  
23 manual keyboard entry or an automatic machine read; [~~and~~]

1 (8) a Network Balance Report summarizing the activity and  
2 liabilities for each site within a Tote-to-Tote network; and

3 (9) an Account Activity Report showing the following  
4 information for each E-wagering account:

5 (A) the unique account number;

6 (B) the date and time of each transaction;

7 (C) the location of each wager;

8 (D) the amount of each transaction;

9 (E) the type of pool, animal number, and amount of each  
10 wager;

11 (F) the account balance; and

12 (G) the account holders name.

13 Sec. 321.141. SPECIAL REPORTS.

14 A totalisator operator shall produce any special report  
15 requested by the Commission no later than 72 hours after  
16 receiving the request. The totalisator system must be able to  
17 produce a special report that filters data by:

18 (1) performance;

19 (2) race;

20 (3) pool;

21 (4) betting interest;

22 (5) TIMs;

23 (6) sites; or

24 (7) any combination of the indicia in this section.

1       Sec. 321.143. LOGS.

2       (a) On-Line Logs. The totalisator system must produce various  
3       daily on-line logs. The totalisator operator shall provide a  
4       printed copy of a daily log to the pari-mutuel auditor on  
5       request. The totalisator system must produce the following logs:

6             (1) a Teller/Machine History Log showing for every TIM  
7       operated during a performance:

8             (A) the time the TIM was opened and closed;

9             (B) for each wagering transaction, the wagers made,  
10       tickets issued, and total value of the transaction;

11            (C) for each cashing, canceling, or refunding  
12       transaction, the identification numbers of the tickets  
13       processed, the wagers paid out, and the value of the wagers paid  
14       out;

15            (D) for each cashing transaction, an indication as to  
16       whether the ticket was cashed using a manual keyboard entry or  
17       an automatic machine read;

18            (E) the amount of each cash draw and return;

19            (F) any special function, including Teller Balance,  
20       accessed through the TIM; and

21            (G) the times of day each of the transactions listed in  
22       this subdivision were made;

23            (2) a Ticket History Log showing for every ticket issued:

1           (A) the identification number of each cashed/canceled  
2 ticket;

3           (B) the TIM location and number;

4           (C) the wagers and their values;

5           (D) the cashing/canceling machine location and number;

6           (E) the amount paid out;

7           (F) the time of day each transaction occurred; and

8           (G) an indication as to whether each transaction was  
9 manual or automatic;

10          (3) a User Terminal Log showing the time of day of each  
11 entry for:

12           (A) each terminal other than a TIM operating during a  
13 day:

14               (i) each log-on/log-off and the operator's ID code;

15               (ii) each command or transaction entered;

16               (iii) each Stop Betting, Order of Finish, Official,  
17 and Sales Open command and the device that issued it;

18               (iv) each occurrence of loss/restoration of  
19 communication between computers or sites; and

20               (v) each occurrence of discrepancy between computers  
21 or sites when comparing databases;

22           (B) each TIM operated during a performance:

23               (i) each log-on/log-off and the teller's ID code, if  
24 applicable; and

1                   (ii) each instance of loss/restoration of  
2 communication and the TIM; [~~and~~]

3                   (4) a System Error Log showing the date and time of each  
4 error; and

5                   (5) an Account Activity Log showing the following  
6 information for each E-wagering account:

7                   (A) the unique account number;

8                   (B) the date and time of each transaction;

9                   (C) the location of each wager;

10                   (D) the amount of each transaction;

11                   (E) the type of pool, animal number, and amount of each  
12 wager;

13                   (F) the account balance; and

14                   (G) the account holders name.

15                   (b) Off-line Log. The totalisator operator must maintain a  
16 system incident log and make it available on request for review  
17 by the pari-mutuel auditor. The system incident log must include  
18 a description of each incident involving the totalisator system,  
19 including system failures, their causes, and corrective actions  
20 taken.

1                   SUBCHAPTER C. REGULATION OF LIVE WAGERING.

2                                 DIVISION 1. GENERAL PROVISIONS.

3           Sec. 321.201. ACTIONS BY STEWARDS OR RACING JUDGES.

4           (a) The stewards or racing judges may correct an inadvertent  
5 mistake in the posting of the official order of finish before  
6 declaring the race to be official.

7           (b) The decision of the stewards or racing judges regarding  
8 the order of finish is final at the time the stewards or judges  
9 order the official sign displayed on the tote board.

10          (c) A ruling by the stewards or racing judges made after the  
11 result of the race has been declared official regarding the  
12 order of finish or an award of purse money does not affect the  
13 distribution of the pari-mutuel pools.

14          Sec. 321.203. ERRORS IN POSTED PAYOFF.

15          If an error is discovered in the payoff amounts posted on the  
16 tote board, the association shall correct the amounts  
17 immediately and announce the error and the subsequent correction  
18 over the public address system. The corrected amounts shall be  
19 used in the payoff.

20          Sec. 321.205. PROBABLE ODDS.

21          The association shall set and print in the official program  
22 the morning line odds for each betting interest in each race.

1       Sec. 321.207. BETTING INTERESTS.

2       (a) Except as otherwise provided by the Rules, if the  
3       stewards or racing judges determine that two or more race  
4       animals entered in a race have common ties through ownership,  
5       the stewards or judges shall join the animals as a coupled  
6       entry.

7       (b) If the number of race animals competing in a race exceeds  
8       the numbering capacity of the totalisator system, the highest  
9       numbered race animal and any animals grouped with that animal  
10      constitute the mutuel field.

11      (c) A coupled entry or a mutuel field is a single betting  
12      interest. A wager on one animal in a coupled entry or mutuel  
13      field is a wager on all animals in the coupled entry or mutuel  
14      field.

15      (d) In a race with a coupled entry or a mutuel field, the  
16      racing secretary may assign wagering numbers to entries that are  
17      different from the post position numbers.

18      Sec. 321.209. MINIMUM WAGER.

19      An association may accept wagers only in multiples of \$1,  
20      except as otherwise authorized by the executive secretary.

21      Sec. 321.211. CARRYOVER POOLS.

22      (a) With the approval of the executive secretary, an  
23      association may declare an amount as a cap or may designate  
24      specific dates, days, or performances for a mandatory payout for

1 any pool that may be carried forward to future performances if  
2 it is not won. After declaring the amount of the cap for a pool  
3 or designating specific dates, days, or performances for a  
4 mandatory payout, the association may not change the amount of  
5 the cap or a designated mandatory payout day, date, or  
6 performance during a race meeting without prior written approval  
7 of the executive secretary.

8 (b) If, at the end of a performance, the amount accumulated  
9 in a pool for which a cap has been declared equals or exceeds  
10 the amount of the cap, the pool shall be frozen until it is won  
11 in accordance with the Rules.

12 (c) At each performance at which a pool frozen under this  
13 section is not won, all money wagered for that pool at that  
14 performance shall be distributed to the holders of tickets that  
15 contain the most winners.

16 (d) If at a performance it is not possible to distribute  
17 money wagered for a pool frozen under this section in accordance  
18 with the Rule regarding that pool, all money wagered for that  
19 pool at that performance shall be refunded.

20 (e) If an association does not designate a specific date,  
21 day, or performance for a mandatory payout of a carryover pool,  
22 the pool shall be distributed:

23 (1) at a horse racetrack, at the last performance of the  
24 race meeting; and

1           (2) at a greyhound racetrack, at the last performance of  
2 the calendar year.

3           (f) If the last performance is canceled, the association  
4 shall place the pool in escrow and the pool and all accrued  
5 interest shall be carried over and included with the appropriate  
6 pool at the next succeeding performance as an additional amount  
7 to be distributed.

8           Sec. 321.213. STRAIGHT WAGERS.

9           The following wagers are considered to be straight wagers for  
10 all purposes:

- 11           (1) win;
- 12           (2) place;
- 13           (3) show; and
- 14           (4) odd/even.

15           Sec. 321.215. MULTIPLE WAGERS.

16           (a) The following wagers are considered to be multiple two  
17 wagers for all purposes:

- 18           (1) daily double;
- 19           (2) quinella;
- 20           (3) exacta; and
- 21           (4) quinella double.

22           (b) The following wagers are considered to be multiple three  
23 wagers for all purposes:

- 24           (1) trifecta;

- 1           (2) twin trifecta;
- 2           (3) pick (n);
- 3           (4) select three, four, or five;
- 4           (5) superfecta; and
- 5           (6) tri-superfecta.

6           Sec. 321.217. STOP BETTING COMMAND.

7           (a) At the appropriate time before each live race, a steward  
8 or racing judge shall issue the "stop betting" command to  
9 activate the locking control switch and ring the off bell.

10          (b) The mutuel manager and the totalisator operator shall  
11 ensure all wagering stops when the "stop betting" command is  
12 issued.

13          (c) An association may not permit a wager to be accepted or a  
14 ticket to be cancelled after the "stop betting" command has been  
15 issued.

16          (d) If a wager is accepted after the "stop betting" command  
17 has been issued:

18           (1) the mutuel manager, before the race is declared  
19 official, shall inform the stewards or racing judges and the  
20 pari-mutuel auditor of the wagers made after the "stop betting"  
21 command was issued;

22           (2) the stewards or racing judges, after consulting with  
23 the mutuel manager and the pari-mutuel auditor, shall order the  
24 association:

1           (A) to refund the wagers made after the stop betting  
2 command was issued; or

3           (B) to refund all wagers on the race.

4       (e) A wager accepted after the stop betting command has been  
5 issued is not a valid wager and must be refunded. If the  
6 totalisator system cannot document the time at which the "stop  
7 betting" command was issued, the "stop betting" command is  
8 presumed to have been issued at the time the starting gate  
9 opened for the race.

10           DIVISION 2. DISTRIBUTION OF PARI-MUTUEL POOLS.

11       Sec. 321.301. DISTRIBUTION OF POOLS.

12       After the stewards or racing judges have declared a race is  
13 "official", an association shall distribute the pari-mutuel  
14 pools to the holders of mutuel tickets who are entitled to share  
15 in the respective pools in accordance with the Act and this  
16 chapter.

17       Sec. 321.302. PAYOFF ON MINUS POOL.

18       Regardless of whether a pari-mutuel pool contains sufficient  
19 money, an association shall pay to the holder of a mutuel ticket  
20 that entitles the holder to participate in the distribution of a  
21 pari-mutuel pool the amount wagered by the holder plus a minimum  
22 of 5.0% of the wager.

1       Sec. 321.303. STRAIGHT POOLS.

2       (a) An association shall provide win, place, and show  
3       wagering in any race in which five or more separate betting  
4       interests are scheduled to start.

5       (b) An association shall provide win and place wagering in a  
6       race in which four separate betting interests are scheduled to  
7       start.

8       (c) An association shall provide win wagering in a race in  
9       which three or fewer betting interests are scheduled to start.

10      (d) The association, with the permission of the stewards or  
11      racing judges, may waive the requirement for a place or show  
12      pool in any race.

13      Sec. 321.304. WIN POOL.

14      (a) The takeout authorized by law is deducted from the total  
15      wagered in the win pool. The balance is the net pool.

16      (b) The amount wagered on the winner is divided into the net  
17      pool. The quotient is the payoff price on the winner for each  
18      dollar wagered and it includes the dollar wagered on the winner.

19      (c) If a race animal wins and no money was wagered on the  
20      animal to win, the win pool shall be distributed among the  
21      holders of tickets on that animal in the place pool. If there  
22      are no tickets on the animal in the place pool, the win pool  
23      shall be distributed among the holders of tickets on that animal

1 in the show pool. If there are no tickets on the animal in the  
2 show pool, the money in the win pool shall be refunded.

3 (d) If a race ends in a two-animal dead heat for first place,  
4 the win pool shall be calculated as a place pool. If a race ends  
5 in a multiple-animal dead heat for first place, the win pool  
6 shall be distributed as a profit for split to the holders of  
7 tickets on any of the animals finishing first.

8 Sec. 321.305. PLACE POOL.

9 (a) The takeout authorized by law is deducted from the total  
10 wagered in the place pool. The balance is the net pool.

11 (b) The amount wagered in the place pool on the race animals  
12 that placed first and second is deducted from the net pool. The  
13 remaining profits are divided into two equal parts, between the  
14 wagers on the winner in the place pool and the wagers on the  
15 animal that finished second.

16 (c) With the amount wagered in the place pool on the winner  
17 as the divisor and one-half of the profits of the place pool as  
18 the dividend, the quotient is the profit-per-dollar wagered in  
19 the place pool on the winner.

20 (d) With the amount wagered in the place pool on the animal  
21 finishing second as the divisor and one-half of the profits of  
22 the place pool as the dividend, the quotient is the profit-per-  
23 dollar wagered in the place pool on the animal finishing second.

1       (e) The profit-per-dollar wagered is the resultant. Because  
2 the amounts wagered on the animals finishing first and second  
3 must be returned, the amount deducted from the net pool under  
4 subsection (b) of this section is added to the quotient. The  
5 result is the payoff price for each dollar wagered on the  
6 animals finishing first and second in the place pool.

7       (f) If a race ends in a dead heat for first place, the place  
8 pool shall be distributed in accordance with subsections (c) and  
9 (d) of this section. If a race ends in a dead heat for second  
10 place, tickets on the first place animal shall be paid in  
11 accordance with subsection (c), and the remaining half of the  
12 place pool shall be distributed as a profit for split to holders  
13 of tickets on any of the animals finishing in the dead heat for  
14 second place.

15       (g) If no money was wagered to place on an animal finishing  
16 first or second in a race, the place pool shall be distributed  
17 among the holders of the place tickets on the other animal that  
18 finished first or second. If no money was wagered to place on  
19 either of the animals finishing first or second in a race, the  
20 place pool shall be distributed among the holders of tickets on  
21 the first and second place animals in the show pool. If the  
22 place pool cannot otherwise be distributed in accordance with  
23 this section, the money in the place pool shall be refunded.

1       Sec. 321.306. SHOW POOL.

2       (a) The takeout authorized by law is deducted from the total  
3       wagered in the show pool. The balance is the net pool.

4       (b) The amount wagered in the show pool on the race animals  
5       finishing first, second, and third is deducted from the net  
6       pool. The remaining profits are divided into three equal parts,  
7       among the wagers in the show pool on the winner, the animal  
8       finishing second, and the animal finishing third.

9       (c) With the amount wagered in the show pool on the winner as  
10      a divisor and one-third of the profits of the show pool as a  
11      dividend, the quotient is the profit-per-dollar wagered in the  
12      show pool on the winner.

13      (d) With the amount wagered in the show pool on the animal  
14      finishing second as the divisor and one-third of the profits of  
15      the show pool as the dividend, the quotient is the profit-per-  
16      dollar wagered in the show pool on the animal finishing second.

17      (e) With the amount wagered in the show pool on the animal  
18      finishing third as the divisor and one-third of the profits of  
19      the show pool as the dividend, the quotient is the profit-per-  
20      dollar wagered in the show pool on the animal finishing third.

21      (f) The profit-per-dollar wagered is the resultant. Because  
22      the amounts wagered on the animals finishing first, second, and  
23      third must be returned, the amount deducted from the net pool  
24      under subsection (b) of this section is added to the quotient.

1 The result is the payoff price for each dollar wagered on the  
2 animals finishing first, second, and third in the show pool.

3 (g) If a race ends in a dead heat for first or second place,  
4 the show pool shall be distributed in accordance with  
5 subsections (c)-(e) of this section. If a race ends in a dead  
6 heat for third place, tickets on the first and second place  
7 animals shall be paid in accordance with subsection (c) and (d)  
8 and the remaining third of the show pool shall be distributed as  
9 a profit for split to holders of tickets on any of the animals  
10 finishing in the dead heat for third place.

11 (h) If no money was wagered in the show pool on an animal  
12 finishing first, second, or third in a race, the show pool shall  
13 be distributed as a profit for split among the holders of the  
14 show tickets on the other animals that finished first, second,  
15 or third. If no money was wagered in the show pool on any of the  
16 animals finishing first, second, or third in a race, the money  
17 in the show pool shall be refunded.

18 Sec. 321.307. DAILY DOUBLE.

19 (a) The daily double is not a parlay and has no connection  
20 with or relation to the win, place, and show pools shown on the  
21 tote board. All daily double tickets shall be calculated in a  
22 separate pool.

23 (b) If any part of a coupled entry or mutuel field is a  
24 starter, the association may not refund money wagered under this

1 section to persons wagering on the entry or field, regardless of  
2 whether any part of the entry or field failed to start. If  
3 either race in the daily double ends in a dead heat for first  
4 place, the pool shall be calculated as a place pool in  
5 proportion to the number of animals in the dead heat.

6 (c) If no ticket is sold that correctly selects the winner of  
7 both races of the daily double, the entire daily double pool,  
8 minus the takeout and the breakage, shall be distributed equally  
9 to the holders of tickets which include the winner of either of  
10 the daily double races.

11 (d) If no ticket is sold including the winner of the first  
12 race of the daily double, the entire daily double pool, minus  
13 the takeout and the breakage, shall be distributed equally to  
14 the holders of tickets which include the winner of the second  
15 race of the daily double. If no ticket is sold including the  
16 winner of the second race of the daily double, the entire daily  
17 double pool, minus the takeout and the breakage, shall be  
18 distributed equally to the holders of tickets which include the  
19 winner of the first race of the daily double.

20 (e) If no ticket is sold including the winner of either race  
21 of the daily double, the entire daily double pool, minus the  
22 takeout and the breakage, shall be distributed equally to  
23 holders of tickets which include the animals finishing second in  
24 the two races of the daily double.

1 (f) If the first race of a daily double is canceled, the  
2 association shall provide a complete refund of the daily double  
3 pool. If the second race of a daily double is canceled after the  
4 first race has been completed, the entire daily double pool,  
5 minus the takeout and the breakage, shall be distributed, in  
6 proportion of the amount wagered on those combinations including  
7 the winner of the first race of the daily double, to holders of  
8 tickets which include the winner of the first race of the daily  
9 double in combination with any animal in the second race.

10 (g) If before the first race of a daily double is run, an  
11 animal entered in either race is scratched or otherwise  
12 prevented from racing, all money wagered on the affected animal  
13 shall be deducted from the daily double pool and refunded to the  
14 holders of tickets on the affected animal.

15 (h) If after the first race of a daily double is run, an  
16 animal entered in the second race is scratched or otherwise  
17 prevented from racing, a consolation daily double shall be  
18 awarded. All tickets which select an animal in the first race  
19 with the affected animal in the second race shall be deducted  
20 from the daily double pool and this amount shall be placed in a  
21 consolation pool. The consolation pool shall be distributed as a  
22 straight pool to the holders of tickets who correctly selected  
23 the winner of the first race with the affected animal in the  
24 second race.

1 (i) If either race in a daily double ends in a dead heat, the  
2 total daily double pool shall be distributed in the same manner  
3 as a place pool.

4 (j) If the daily double pool cannot otherwise be distributed  
5 in accordance with this section, the money in the daily double  
6 pool shall be carried forward and added to the next consecutive  
7 daily double pool

8 Sec. 321.308. QUINELLA.

9 (a) The quinella is not a parlay and has no connection with  
10 or relation to the win, place, and show pools on the tote board.  
11 All tickets on the quinella shall be calculated as a separate  
12 pool.

13 (b) A quinella ticket is for the win and place combination  
14 only. When purchasing a quinella ticket, the patron shall select  
15 the two animals to be the top two finishers.

16 (c) If any part of a coupled entry or mutuel field is a  
17 starter, the association may not refund money wagered under this  
18 section to persons wagering on the entry or field. For purposes  
19 of this section, if a part of the entry or field finishes first,  
20 the order of finish of the other animals in the entry or field  
21 shall be disregarded in determining which animal finished  
22 second.

23 (d) If after wagering has begun an animal entered in a  
24 quinella race is scratched or otherwise prevented from racing,

1 all money wagered on the affected animal shall be deducted from  
2 the quinella pool and refunded to the holders of tickets on the  
3 affected animal.

4 (e) If no ticket is sold on the winning combination in a  
5 quinella race, all quinella tickets bearing the number of the  
6 winning animal and all quinella tickets bearing the number of  
7 the second place animal are considered winning tickets and the  
8 payoff shall be calculated in the same manner as a place pool.

9 (f) If no ticket is sold on the winning combination in a race  
10 and no quinella ticket bears the number of the winner, all  
11 quinella tickets bearing the number of the second place animal  
12 are considered winning tickets and the payoff shall be  
13 calculated as a win pool.

14 (g) If no ticket is sold on the winning combination in a race  
15 and no quinella tickets bear the number of the second place  
16 animal, all quinella tickets bearing the number of the winner  
17 are considered winning tickets and the payoff shall be  
18 calculated as a win pool.

19 (h) If only one animal finishes in a quinella race, the  
20 entire pool is distributed as a win pool for the persons who  
21 wagered on the winner.

22 (i) If a quinella race ends in a dead heat for first place,  
23 all animals finishing first are the winners of the race and the  
24 pool shall be distributed as a place pool.

1       (j) If a quinella race ends in a two-animal dead heat for  
2 second place, the entire pool is distributed as a place pool. If  
3 a quinella race ends in a multiple-animal dead heat for second  
4 place, all combinations that couple the winning animal with any  
5 of the second place animals are winners of the quinella and the  
6 pool shall be distributed as a profit split.

7       (k) If no ticket is sold on the winning combination in a  
8 quinella race and no quinella tickets bear the number of either  
9 the winner or the second place animal, the quinella is  
10 considered "no contest" and the association shall carry forward  
11 all money wagered in the quinella pool to the next consecutive  
12 quinella pool.

13       Sec. 321.309. EXACTA.

14       (a) The exacta is not a parlay and has no connection with or  
15 relation to the win, place, and show pools shown on the tote  
16 board. All tickets in an exacta race shall be calculated as a  
17 separate pool.

18       (b) When purchasing an exacta ticket, the patron shall  
19 designate the exact order of finish for the first and second  
20 place animals.

21       (c) If any part of a coupled entry or mutuel field is a  
22 starter, the association may not refund money wagered under this  
23 section to persons wagering on the entry or field, regardless of  
24 whether any part of the entry or field failed to start. For

1 purposes of this section, if a part of the entry or field  
2 finishes first, the order of finish of the other animals in the  
3 entry or field shall be disregarded in determining which animal  
4 finished second.

5 (d) If after wagering has begun an animal entered in an  
6 exacta race is scratched or otherwise prevented from racing, all  
7 money wagered on the affected animal shall be deducted from the  
8 exacta pool and refunded to the holders of tickets on the  
9 affected animal.

10 (e) If no ticket is sold on the winning combination in an  
11 exacta race, the net pool shall be distributed among the holders  
12 of tickets selecting the winner to finish first. If no such  
13 ticket is sold, the net pool shall be distributed among the  
14 holders of tickets selecting the second place animal to finish  
15 second.

16 (f) If a race ends in a dead heat for first place, the net  
17 pool shall be calculated and distributed as a place pool to  
18 holders of the winning combination.

19 (g) If a race ends in a dead heat for second place, all  
20 tickets designating the appropriate animal to win coupled with  
21 any of the second place animals are winners and the pool shall  
22 be distributed as a place pool.

23 (h) If a race ends in a dead heat for second place and no  
24 ticket is sold on any of the winning combinations, the net pool

1 shall be calculated and distributed to the holders of tickets  
2 that designated the winner or any of the second place animals  
3 according to their respective interest in the net pool.

4 (i) If a race ends in a dead heat for first among more than  
5 two animals, the net pool shall be calculated and distributed as  
6 a profit for split to holders of tickets designating any two of  
7 the animals participating in the dead heat.

8 (j) If no ticket is sold that would require distribution  
9 under this section, the exacta is considered "no contest" and  
10 the association shall carry forward all money wagered in the  
11 exacta pool to the next consecutive exacta pool.

12 Sec. 321.310. TRIFECTA.

13 (a) The trifecta wager is not a parlay and has no connection  
14 with or relation to the win, place, and show pool shown on the  
15 tote board. All tickets on the trifecta shall be calculated as a  
16 separate pool.

17 (b) A person purchasing a trifecta ticket must select the  
18 three animals in a race which will finish first, second, and  
19 third and designate the exact order in which the first three  
20 will finish.

21 (c) A coupled entry or mutuel field may not start in a horse  
22 race with trifecta wagering unless there are six or more betting  
23 interests.

1       (d) If after wagering has begun an animal entered in a  
2 trifecta race is scratched or otherwise prevented from racing,  
3 all money wagered on the affected animal shall be deducted from  
4 the trifecta pool and refunded to the holders of tickets on the  
5 affected animal.

6       (e) If no ticket is sold on the winning combination, the net  
7 pool shall be distributed equally among the holders of tickets  
8 selecting the animals finishing first and second .

9       (f) If no ticket is sold that requires distribution under  
10 subsection (e) of this section, the net pool shall be  
11 distributed equally among the holders of tickets selecting the  
12 animals finishing first and third.

13       (g) If no ticket is sold that requires distribution under  
14 subsections (e) or (f) of this section, the net pool shall be  
15 distributed equally among the holders of tickets selecting the  
16 animal finishing first.

17       (h) If no ticket is sold requiring distribution under  
18 subsections (e)-(g) of this section, the net pool shall be  
19 distributed equally among the holders of tickets selecting the  
20 animals finishing second and third.

21       (i) If no ticket is sold requiring distribution under  
22 subsections (e)-(h) of this section, the net pool shall be  
23 distributed equally among the holders of tickets selecting the  
24 animal finishing second.

1       (j) If no ticket is sold requiring distribution under  
2 subsections (e)-(i) of this section, the net pool shall be  
3 distributed equally among the holders of tickets selecting the  
4 animal finishing third.

5       (k) If a trifecta race ends in a dead heat for first place,  
6 the winning combination shall include the first two animals as  
7 finishing in either first or second and the animal finishing  
8 third. If a trifecta race ends in a dead heat for second place,  
9 the winning combinations shall include the animal finishing  
10 first and the two animals finishing in a dead heat as finishing  
11 either second or third. If a trifecta race ends in a dead heat  
12 for third place, the winning combinations include the animals  
13 finishing first and second and any of the animals finishing in  
14 the dead heat as finishing third. In all combinations paid under  
15 this subsection, the net pool shall be divided into separate  
16 pools, calculated as a place pool, and paid out accordingly.

17       (l) If a trifecta race ends in a triple dead heat or double  
18 dead heats, the net pool shall be divided by the number of all  
19 win, place, and show combinations formed, calculated as separate  
20 pools, and paid out accordingly.

21       (m) If no ticket is sold that would require distribution  
22 under this section, the trifecta is considered "no contest" and  
23 the association shall carry forward all money wagered in the  
24 trifecta pool to the next consecutive trifecta pool.

1 (n) If fewer than six horses of different betting interests  
2 leave the paddock for a race on which there is trifecta  
3 wagering, the association shall cancel the trifecta wager for  
4 that race and refund the entire amount in the pool.

5 Sec. 321.311. TWIN TRIFECTA.

6 (a) The twin trifecta wager is not a parlay and has no  
7 connection with or relation to the win, place, and show pools  
8 shown on the tote board. All tickets on the twin trifecta shall  
9 be calculated as a separate pool.

10 (b) The twin trifecta requires selection of the first three  
11 finishers, in exact order, in each of two designated races. Each  
12 winning ticket for the first twin trifecta race must be  
13 exchanged for a free ticket on the second twin trifecta race to  
14 remain eligible for the second-half twin trifecta pool. Such  
15 tickets may be exchanged only at designated attended ticket  
16 windows before the start of the second twin trifecta race.  
17 Winning first-half twin trifecta wagers will receive both an  
18 exchange and a monetary payout. Both of the designated twin  
19 trifecta races shall be included in one twin trifecta pool.

20 (c) After wagering closes for the first-half of the twin  
21 trifecta and commissions have been deducted from the pool, the  
22 net pool shall then be divided equally into two separate pools:  
23 the first-half twin trifecta pool and the second-half twin  
24 trifecta pool.

1 (d) In the first twin trifecta race only, the first-half twin  
2 trifecta pool shall be distributed according to the following  
3 precedence, based on the official order of finish for the first  
4 twin trifecta race:

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

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

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

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

17 (5) As a single price pool to those whose combination  
18 included, in correct sequence, the second and third betting  
19 interests; but if there are no such wagers, then

20 (6) As a single price pool to those whose combination  
21 correctly selected the second-place betting interest; but if  
22 there are no such wagers, then

1           (7) As a single price pool to those whose combination  
2 correctly selected the third-place betting interest; but if  
3 there are no such wagers, then

4           (8) The twin trifecta pool shall be canceled and the  
5 entire pool shall be carried forward to the next consecutive  
6 performance and combined with that performance's second-half  
7 twin trifecta pool.

8           (e) If no first-half twin trifecta ticket selects the first  
9 three finishers of that contest in exact order, no exchange  
10 tickets for the second-half twin trifecta pool will be issued.  
11 In such case, the second-half twin trifecta pool shall be  
12 carried forward and added to any existing twin trifecta  
13 carryover pool.

14           (f) A first-half twin trifecta ticket that selects the first  
15 three finishers of that race in exact order may be exchanged for  
16 a ticket selecting the first three finishers of the second twin  
17 trifecta race. The second-half twin trifecta pool shall be  
18 distributed according to the following precedence, based on the  
19 official order of finish for the second twin trifecta race:

20           (1) As a single price pool, including the carryover, to  
21 those whose combination finished in correct sequence as the  
22 first three betting interests; but if there are no such wagers,  
23 then

1           (2) The second-half twin trifecta pool for that race shall  
2 be carried forward to the next consecutive performance and shall  
3 be combined with that performance's second-half twin trifecta  
4 pool.

5           (g) If a winning first-half twin trifecta ticket is not  
6 presented for cashing and exchange before the start of the  
7 second twin trifecta race, the ticket holder may still collect  
8 the monetary value associated with the first-half twin trifecta  
9 pool but forfeits all rights to a distribution of the second-  
10 half twin trifecta pool.

11          (h) If fewer than six horses of different betting interests  
12 leave the paddock for the first twin trifecta race or fewer than  
13 six greyhounds start the first twin trifecta race, the twin  
14 trifecta shall be canceled and the entire twin trifecta pool for  
15 that performance shall be refunded.

16          (i) Before the running of the first twin trifecta race, if  
17 due to a scratch the second twin trifecta race has fewer than  
18 six horses of different betting interests or fewer than six  
19 greyhounds of different betting interests, the twin trifecta  
20 shall be canceled and the entire twin trifecta pool for that  
21 performance shall be refunded.

22          (j) After the running of the first twin trifecta race, if due  
23 to a late scratch, the second twin trifecta race has fewer than  
24 six animals of different betting interests that start, all

1 exchange tickets and outstanding first-half winning tickets  
2 shall be entitled to the second-half twin trifecta pool for that  
3 performance as a single price pool, but not the twin trifecta  
4 carryover.

5 (k) Coupled entries and mutuel fields may not be permitted in  
6 a twin trifecta horse race unless there are six or more betting  
7 interests. Coupled entries or mutuel fields in a twin trifecta  
8 race shall race as a single betting interest for the purpose of  
9 mutuel pool calculations and payout to the public.

10 (l) If a betting interest in the first twin trifecta race is  
11 scratched, all twin trifecta wagers including the scratched  
12 betting interest shall be refunded.

13 (m) If a betting interest in the second twin trifecta race is  
14 scratched, an announcement concerning the scratch shall be made  
15 and a reasonable amount of time shall be provided to exchange  
16 tickets that include the scratched betting interest.

17 (n) If there is a dead heat or multiple dead heats in either  
18 the first or second twin trifecta race, all twin trifecta wagers  
19 selecting the correct order of finish, counting a betting  
20 interest involved in a dead heat as finishing in any dead-heated  
21 position, shall be a winner. In the case of a dead heat  
22 occurring in:

23 (1) the first twin trifecta race, the payout shall be  
24 calculated as a profit split; and

1           (2) the second twin trifecta race, the payout shall be  
2 calculated as a single price pool.

3           (o) If either of the twin trifecta races are canceled before  
4 the first twin trifecta race, or if the first twin trifecta  
5 contest is declared "no contest", the entire twin trifecta pool  
6 for that performance shall be refunded and the second-half pool  
7 shall be canceled.

8           (p) If the second twin trifecta race is canceled or declared  
9 "no contest" on a:

10           (1) non-designated mandatory payout performance, all  
11 exchange tickets and outstanding first-half winning twin  
12 trifecta tickets shall be entitled to the net twin trifecta pool  
13 for that performance as a single price pool, but not the twin  
14 trifecta carryover. If there are no such tickets, the net twin  
15 trifecta pool shall be carried forward to the next consecutive  
16 performance and combined with that performance's second-half  
17 twin trifecta pool; and

18           (2) designated mandatory payout performance, all exchange  
19 tickets and outstanding first-half winning twin trifecta tickets  
20 as determined by subsection (s) of this section shall be  
21 entitled to the net twin trifecta pool for that performance and  
22 the twin trifecta carryover as a single price pool.

23           (q) An association may file a written request for permission  
24 to distribute the twin trifecta carryover on a specific

1 performance with the executive secretary. The request must  
2 contain justification for the distribution, an explanation of  
3 the benefit to be derived, and the intended date and performance  
4 for the distribution.

5 (r) Notwithstanding subsections (f) and (t) of this section,  
6 on the last performance of a race meeting or on a designated  
7 mandatory payout performance, the following precedence will be  
8 followed in determining winning tickets for the second-half of  
9 the twin trifecta:

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

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

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

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

22 (5) As a single price pool to those whose combination  
23 included, in correct sequence, the second and third betting  
24 interests; but if there are no such wagers, then

1           (6) As a single price pool to those whose combination  
2 correctly selected the second-place betting interest; but if  
3 there are no such wagers, then

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

7           (8) As a single price pool to holders of valid exchange  
8 tickets; but if there are no such persons, then

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

11          (s) Distribution on Mandatory Payout.

12           (1) Notwithstanding subsections (e) and (t) of this  
13 section, on the last performance of a race meeting or a  
14 designated mandatory payout performance, exchange tickets will  
15 be issued for those combinations selecting the greatest number  
16 of betting interests in the first twin trifecta race in the  
17 following order:

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

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

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

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

7           (E) As a single price pool to those whose combination  
8 included, in correct sequence, the second and third betting  
9 interests; but if there are no such wagers, then

10           (F) As a single price pool to those whose combination  
11 correctly selected the second-place betting interest; but if  
12 there are no such wagers, then

13           (G) As a single price pool to those whose combination  
14 correctly selected the third-place betting interest.

15           (2) Notwithstanding subsections (e) and (t) of this  
16 section, on the last performance of a race meeting or a  
17 designated mandatory payout performance, if there are no wagers  
18 selecting the finishers in the order described in Paragraph (1)  
19 of this subsection and there is a carryover, all first-half  
20 tickets are considered winners and the twin trifecta pool for  
21 that performance and any existing twin trifecta carryover shall  
22 be distributed equally among them.

23           (3) Notwithstanding subsections (e) and (t) of this  
24 section, on the last performance of a race meeting or a

1 designated mandatory payout performance, if there are no wagers  
2 selecting the finishers in the order described in Paragraph (1)  
3 of this subsection and there is no carryover, the twin trifecta  
4 shall be canceled and the entire twin trifecta pool shall be  
5 refunded.

6 (t) Cap on Carryover.

7 (1) The twin trifecta carryover may be capped at a  
8 designated level approved by the executive secretary so that if,  
9 at the close of any performance, the amount in the twin trifecta  
10 carryover equals or exceeds the designated cap, the twin  
11 trifecta carryover will be frozen until it is won or distributed  
12 under other provisions of this section. After the twin trifecta  
13 carryover is frozen, 50% of the twin trifecta pool shall be  
14 distributed to winners of the first twin trifecta race using the  
15 following precedence:

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

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

22 (C) As a single price pool to those whose combination  
23 included, in correct sequence, the first and third betting  
24 interests; but if there are no such wagers, then

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

4           (E) As a single price pool to those whose combination  
5 included, in correct sequence, the second and third betting  
6 interests; but if there are no such wagers, then

7           (F) As a single price pool to those whose combination  
8 correctly selected the second-place betting interest; but if  
9 there are no such wagers, then

10           (G) As a single price pool to those whose combination  
11 correctly selected the third-place betting interest; but if  
12 there are no such wagers, then

13           (H) the twin trifecta shall be canceled and the entire  
14 twin trifecta pool for that performance shall be refunded.

15           (2) After the twin trifecta carryover is frozen, exchange  
16 tickets will be issued for the second half of the twin trifecta  
17 pool, in accordance with paragraph (1) of this subsection. The  
18 second-half twin trifecta pool shall be distributed according to  
19 the following precedence, based upon the official order of  
20 finish for the second twin trifecta race:

21           (A) As a single price pool, including the carryover, to  
22 those who received an exchange ticket under paragraph (1)(A) of  
23 this subsection, and whose combination finished in correct

1 sequence as the first three betting interests; but if there are  
2 no such tickets, then

3 (B) Fifty percent (50%) of the twin trifecta pool for  
4 that performance only shall be distributed in the following  
5 precedence:

6 (i) as a single price pool to those who combination  
7 included, in correct sequence, the first three betting  
8 interests; but if there are no such wagers, then

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

12 (iii) As a single price pool to those whose  
13 combination included, in correct sequence, the first and third  
14 betting interests; but if there are no such wagers, then

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

18 (v) As a single price pool to those whose  
19 combination included, in correct sequence, the second and third  
20 betting interests; but if there are no such wagers, then

21 (vi) As a single price pool to those whose  
22 combination correctly selected the second-place betting  
23 interest; but if there are no such wagers, then

1           (vii) As a single price pool to those whose  
2 combination correctly selected the third-place betting interest;  
3 but if there are no such wagers, then

4           (viii) As a single price pool to holders of valid  
5 exchange tickets; but if there are no such persons, then

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

8       (u) The twin trifecta carryover shall be designated for  
9 mandatory payout on a specified date and performance only under  
10 the following circumstances:

11           (1) on written approval from the executive secretary as  
12 provided in subsection (q) of this section;

13           (2) on written approval from the executive secretary when  
14 there is a change in the carryover cap or when the twin trifecta  
15 is discontinued; and

16           (3) on the closing performance of the race meeting.

17       (v) If the twin trifecta carryover must be held over to the  
18 corresponding twin trifecta pool of a subsequent race meeting,  
19 the carryover shall be deposited in an interest-bearing account  
20 approved by the executive secretary. The twin trifecta carryover  
21 plus accrued interest shall be carried over and added to the  
22 second-half twin trifecta pool of the following race meeting on  
23 a date and performance designated by the executive secretary.

1       (w) The association must obtain written approval from the  
2 executive secretary concerning the scheduling and the amount of  
3 the cap to be set on the carryover. Any changes to the approved  
4 twin trifecta format require prior approval from the executive  
5 secretary.

6       Sec. 321.312. PICK (N).

7       (a) The pick (n) wager is not a parlay and has no connection  
8 with or relation to the win, place, and show pools shown on the  
9 tote board. All tickets on the pick (n) shall be calculated as a  
10 separate pool.

11       (b) The association may select a distinctive name for the  
12 pick (n), with the prior approval of the executive secretary.

13       (c) The pick (n) pari-mutuel pool consists of amounts  
14 contributed for a selection to win only in each of six, seven,  
15 eight, nine, or 10 races designated by the association. After  
16 designating the number of races comprising the pick (n), the  
17 association may not change the number during a race meeting  
18 without prior written approval of the executive secretary.

19       (d) A person purchasing a pick (n) ticket shall designate the  
20 winning animal in each of the races comprising the pick (n). The  
21 association shall issue to the purchaser of a pick (n) ticket a  
22 ticket that reflects each of the purchaser's selections.

23       (e) A pick (n) ticket is a contract between the holder of the  
24 ticket and the association and the ticket constitutes acceptance

1 of this section. The association, totalisator company, and the  
2 State of Texas are not liable to a person for a pick (n) ticket  
3 that is not a winning ticket under this section or for a pick  
4 (n) ticket that is not delivered.

5 (f) A coupled entry or mutuel field in a race that is part of  
6 the pick (n) races shall race as a single betting interest for  
7 the purpose of mutuel pool calculations and payoffs to the  
8 public.

9 (g) The pick (n) pool shall be distributed as provided by  
10 this section. The net pool in the pick (n) pool is divided into  
11 a major pool and a minor pool. The association may designate the  
12 major pool to consist of either 75% or 50% of the net amount  
13 wagered on the pick (n). The remaining percentage constitutes  
14 the minor pool. The association shall notify the executive  
15 secretary in writing before the beginning of each race meeting  
16 of its designation regarding the division between the major and  
17 minor pools. After designating the division between the major  
18 and minor pools, an association may not change the division  
19 during a race meeting without prior written approval of the  
20 executive secretary.

21 (h) The major pool shall be distributed among holders of pick  
22 (n) tickets which correctly designate the winner in each of the  
23 races comprising the pick (n).

1       (i) Except as otherwise provided by this section, the minor  
2 pool shall be distributed to those ticket holders who failed to  
3 correctly designate the winner in each of the races comprising  
4 the pick (n), but who correctly selected the winners in the  
5 most, but not all of, the races comprising the pick (n).

6       (j) If no ticket is sold that designates the winner in each  
7 of the races comprising the pick (n), the major pool shall be  
8 carried forward to the next performance to be paid in the major  
9 pool of that performance. Except as otherwise provided by this  
10 section, the major pool shall be supplemented each performance  
11 by the amount added to the pool from all previous performances'  
12 major pools that have not been won in accordance with subsection  
13 (h) of this section.

14       (k) If a pick (n) ticket designates a selection and the  
15 selection is scratched or otherwise prevented from racing, the  
16 favorite, as determined by the largest amount wagered in the win  
17 pool at the start of the race, will be substituted for the  
18 nonstarting selection for all purposes, including mutuel pool  
19 calculations and payoffs to the public. If there are two or more  
20 [~~identical~~] favorites in the win pool, both favorites will be  
21 substituted for the nonstarting selection.

22       (l) If a race in the pick (n) ends in a dead heat for first  
23 place, all animals in the dead heat are winners for purposes of  
24 calculating the pick (n) pool.

1 (m) Except as otherwise provided by this subsection, if one  
2 or more races in the pick (n) are canceled or declared a "no  
3 race", the amount contributed to the major pool for that  
4 performance shall be added to the minor pool for that  
5 performance and distributed as an extra amount in the minor pool  
6 to the holders of the tickets that designate the most winners in  
7 the remaining races. All contributions to the major pool from  
8 prior performances shall remain in the major pool, to be carried  
9 forward to the next performance to be paid in the major pool for  
10 that performance. If the stewards or racing judges cancel or  
11 declare as a "no race" three or more of the races comprising a  
12 pick six, seven, or eight, four or more of the races comprising  
13 the pick nine, or five or more of the races comprising the pick  
14 10, the pick (n) is canceled and the association shall refund  
15 all pick (n) tickets. A person may not win the major pool unless  
16 the person holds a pick (n) ticket that correctly designates the  
17 official winners of all the scheduled races comprising the pick  
18 (n) for that performance. On the last performance of a race  
19 meeting or on a designated mandatory payout performance, if one  
20 or two races comprising the pick (n) are canceled or declared a  
21 "no race", the major pool and the minor pool for that  
22 performance shall be combined with the prior performance major  
23 pool and be paid to those holders of tickets who correctly  
24 designated the most winners of the remaining races of the pick

1 (n). If three or more races comprising the pick (n) are canceled  
2 or declared a "no race", the association shall refund all pick  
3 (n) tickets and the prior performance major pool shall be  
4 distributed in accordance with subsection (o) of this section.

5 (n) If on the last performance of the race meeting or on a  
6 designated mandatory payout performance the major pool is not  
7 distributable under subsection (h) of this section, the major  
8 pool and all money carried forward into that pool from previous  
9 performances shall be combined with the minor pool and  
10 distributed to the holders of tickets correctly designating the  
11 most, but not all, of the races comprising the pick (n) for that  
12 performance.

13 (o) If the final or designated mandatory payoff performance  
14 is canceled or the major pool has not been distributed, the  
15 major pool shall be escrowed by the association and the major  
16 pool plus all accrued interest shall be carried over and  
17 included in a major pool offered on one of the first five days  
18 of the next subsequent race meeting or on the next performance  
19 after the undistributed mandatory payout performance, as  
20 approved by the executive secretary.

21 (p) Except for refunds required by this section, a pick (n)  
22 ticket may not be sold, exchanged, or canceled after the close  
23 of wagering on the first of the pick (n) races.

1 (q) A person may not disclose the number of tickets sold in  
2 the pick (n) pool or the number or amount of tickets selecting  
3 winners of the races comprising the pick (n) until the results  
4 of the last race comprising the pick (n) are official. The  
5 totalisator equipment shall be programmed or constructed to  
6 suppress the publication or printing of any such information,  
7 except the total number of dollars wagered in the pick (n),  
8 until the results of the last race comprising the pick (n) are  
9 official.

10 Sec. 321.313. SELECT THREE, FOUR, OR FIVE.

11 (a) The select three, four, or five wager is not a parlay and  
12 has no connection with or relation to the win, place, and show  
13 pools shown on the tote board.

14 (b) A select three, four, or five ticket is evidence of a  
15 binding contract between the holder of the ticket and the  
16 association and the ticket constitutes an acceptance of this  
17 section. The association may select a distinctive name for the  
18 select three, four, or five, with the prior approval of the  
19 executive secretary.

20 (c) The select three, four, or five pari-mutuel pool consists  
21 of amounts contributed for a selection to win only on each of  
22 three, four, or five races designated by the association with  
23 the approval of the executive secretary. Each person purchasing  
24 a select three, four, or five ticket shall designate the winning

1 animal in each of the races comprising the select three, four,  
2 or five.

3 (d) A coupled entry or mutuel field in a race that is part of  
4 the select three, four, or five shall race as a single betting  
5 interest for the purpose of the select three, four, or five  
6 pari-mutuel pool calculations and payoffs to the public. If any  
7 part of a coupled entry or mutuel field is a starter in a race,  
8 the entry or field selection remains as the designated selection  
9 to win in that race for the select three, four, or five  
10 calculation, and the selection may not be deemed a scratch.

11 (e) The select three, four, or five pari-mutuel pool may be a  
12 carryover pool or a non-carryover pool. The association, with  
13 prior approval of the executive secretary, will decide if the  
14 select three, four, or five pari-mutuel pool will be offered as  
15 a carryover pool or a non-carryover pool.

16 (f) A non-carryover select three, four, or five pari-mutuel  
17 pool shall be distributed in accordance with this subsection.  
18 One hundred percent of the net amount in the pari-mutuel pool  
19 subject to distribution among winning ticket holders shall be  
20 distributed among the holders of pari-mutuel tickets which:

21 (1) Correctly designate the official winner in each of the  
22 races comprising the select three, four, or five.

23 (2) If no pari-mutuel ticket is sold combining the winners  
24 of all of the races comprising the select three, four, or five,

1 100% of the net amount in the pari-mutuel pool shall be  
2 distributed among the holders of pari-mutuel tickets which  
3 include the winners of the next highest number of winners of the  
4 races in the select three, four, or five.

5 (3) If no pari-mutuel ticket is sold that would require  
6 distribution of the select three, four, or five pool under  
7 paragraphs (1) or (2) of this subsection, the association shall  
8 carry over all money wagered in the select three, four, or five  
9 pool to the next consecutive select three, four, or five pool.

10 (4) If the final day of a race meeting is canceled or the  
11 select three, four, or five pool has not been distributed, the  
12 pool shall be escrowed by the association, and the pool plus all  
13 accrued interest shall be carried over and added to the select  
14 three, four, or five pari-mutuel pool in the following race  
15 meeting on a date and performance designated by the executive  
16 secretary.

17 (5) If one or two of the races comprising a select three  
18 is canceled, two or three of the races comprising a select four  
19 are canceled, or three or four of the races comprising a select  
20 five are canceled, the net amount of the pari-mutuel pool shall  
21 be distributed as provided in paragraph (2) of this subsection.

22 (g) A carryover select three, four, or five pari-mutuel pool  
23 shall be distributed in accordance with this subsection. The net  
24 pool in the select three, four, or five pool is divided into a

1 major pool and a minor pool. The association shall designate the  
2 major pool to consist of 75% of the net amount wagered on the  
3 select three, four, or five pool. The remaining 25% constitutes  
4 the minor pool.

5 (1) The major pool shall be distributed among holders of  
6 select three, four, or five tickets, which correctly designate  
7 the winner in each of the races comprising the select three,  
8 four, or five.

9 (2) Except as otherwise provided by this section, the  
10 minor pool shall be distributed to those ticket holders who  
11 failed to correctly designate the winner in each of the races  
12 comprising the select three, four, or five, but who correctly  
13 selected the winners in the most, but not all of, the races  
14 comprising the select three, four, or five. If there are no such  
15 tickets, then the minor pool would be added to the major pool  
16 and:

17 (A) Paid out to holders of tickets who correctly  
18 designated the winner in each of the races comprising the select  
19 three, four, or five, but if there are no such tickets,

20 (B) Carried forward to the next select three, four or  
21 five pool offered.

22 (3) If no ticket is sold that designates the winner in  
23 each of the races comprising the select three, four, or five,

1 the major pool shall be carried forward to the next select  
2 three, four or five pool offered to be paid in the major pool.

3 (4) Except as otherwise provided by this section, the  
4 major pool shall be supplemented each performance by the amount  
5 added to the pool from all previous performances' major pools  
6 that have not been won in accordance with paragraph (1) of this  
7 subsection.

8 (5) If on the last performance of the race meeting or on a  
9 designated mandatory payout performance the major pool is not  
10 distributable under paragraph (1) of this subsection, the major  
11 pool and all money carried forward into that pool from previous  
12 performances shall be combined with the minor pool and  
13 distributed to the holders of tickets correctly designating the  
14 most, but not all, of the races comprising the select three,  
15 four, or five.

16 (6) Except as otherwise provided by this subsection, if  
17 one or more of the races comprising a select three, four, or  
18 five is canceled or declared a "no race", the amount contributed  
19 to the major pool for that select three, four, or five shall be  
20 added to the minor pool for that same select three, four, or  
21 five and distributed as an extra amount in the minor pool to the  
22 holders of the tickets that designate the most winners in the  
23 remaining races. All contributions to the major pool from prior  
24 select three, four, or five pools shall remain in the major

1 pool, to be carried forward to the next select three, four, or  
2 five pool to be paid in the major pool later on the race card or  
3 on the next performance.

4 (h) If all of the races comprising the select three, four, or  
5 five are canceled, the association shall refund the pari-mutuel  
6 tickets sold on the select three, four, or five on that day. The  
7 association shall carry over the remaining amount in the select  
8 three, four, or five pari-mutuel pool to the next consecutive  
9 select three, four, or five pari-mutuel pool.

10 (i) If a selection on a select three, four, or five ticket in  
11 one or more of the races is scratched or determined by the  
12 stewards or racing judges to be a nonstarter in the race, the  
13 actual favorite, as shown by the largest amount wagered in the  
14 win pool at the time of the start of the race, will be  
15 substituted for the non starting selection for all purposes,  
16 including pool calculations and payoffs. If there are two or  
17 more favorites in the win pool, both favorites will be  
18 substituted for the non starting selection.

19 (j) In the event of a dead heat for win between two or more  
20 animals in a select three, four, or five race, all the animals  
21 in the dead heat for win shall be considered as winning animals  
22 in the race for the purpose of calculating the major or minor  
23 pools and the affected pool is calculated as a win pool.

1 (k) A pari-mutuel ticket for the select three, four, or five  
2 pool may not be sold, exchanged, or canceled after the time  
3 wagering closes in the first of the races comprising the select  
4 three, four, or five, except for refunds on select three, four,  
5 or five tickets as required by subsection (h) of this section. A  
6 person may not disclose the number of tickets sold in the select  
7 three, four, or five pool or the number or amount of tickets  
8 selecting winners of select three, four, or five races until the  
9 stewards or racing judges have determined the last race  
10 comprising the select three, four, or five to be official.

11 Sec. 321.314. SUPERFECTA.

12 (a) The superfecta is not a parlay and has no connection with  
13 or relation to the win, place, and show pools shown on the tote  
14 board. All tickets on the superfecta shall be calculated as a  
15 separate pool.

16 (b) A person purchasing a superfecta ticket shall select the  
17 four animals that will finish first, second, third, and fourth  
18 in one race. The pool shall be distributed only to the holders  
19 of tickets that select the same order of finish as officially  
20 posted.

21 (c) If no superfecta ticket is sold for the winning  
22 combination, the pool shall be distributed to the holders of  
23 tickets selecting the win, place, and show finishers. If no  
24 ticket is sold combining the win, place, and show finishers, the

1 pool shall be distributed to the holders of tickets selecting  
2 the win and place finishers. If no ticket is sold combining the  
3 win and place finishers, the pool shall be distributed to the  
4 holders of tickets selecting the winner. If less than four  
5 animals finish and the race is declared official by the stewards  
6 or racing judges, the pool shall be distributed to holders of  
7 tickets selecting the finishing animals in order, ignoring the  
8 balance of the selection.

9 (d) In the event of a dead heat, all superfecta tickets  
10 selecting the correct order of finish, counting an animal in a  
11 dead heat as finishing in either position dead heated, shall be  
12 winning tickets. The pool shall be distributed as a place pool.

13 (e) If an animal is scratched in a superfecta race, a  
14 superfecta ticket may not be exchanged. All tickets which  
15 include a scratched animal shall be eliminated from further  
16 participation in the superfecta pool and shall be refunded.

17 (f) If the superfecta pool cannot otherwise be distributed in  
18 accordance with this section, the money in the superfecta pool  
19 shall be carried forward to the next consecutive superfecta  
20 pool.

21 (g) A coupled entry or mutuel field may not start in a horse  
22 race with superfecta wagering unless there are seven or more  
23 betting interests.

1 (h) If fewer than seven horses of different betting interests  
2 leave the paddock for a race in which there is superfecta  
3 wagering, the association shall cancel the superfecta wager for  
4 that race and refund the entire amount in the pool.

5 Sec. 321.315. TRI-SUPERFECTA.

6 (a) The tri-superfecta is not a parlay and has no connection  
7 with or relation to the win, place, or show pools on the tote  
8 board. All tickets on the tri-superfecta shall be calculated as  
9 a separate pool.

10 (b) The tri-superfecta requires selection of the first three  
11 finishers, in exact order, in the first of two designated races.  
12 Each winning ticket for the first tri-superfecta race must be  
13 exchanged for a free ticket on the second tri-superfecta race to  
14 remain eligible for the second-half tri-superfecta pool. Such  
15 tickets may be exchanged only at designated attended ticket  
16 windows before the start of the second tri-superfecta race.  
17 Winning first-half tri-superfecta wagers will receive both an  
18 exchange and a monetary payout. Both of the designated tri-  
19 superfecta races shall be included in one tri-superfecta pool.

20 (c) After wagering closes for the first-half of the tri-  
21 superfecta and commissions have been deducted from the pool, the  
22 net pool shall then be divided equally into two separate pools:  
23 the first-half tri-superfecta pool and the second-half tri-  
24 superfecta pool.

1       (d) In the first tri-superfecta race [~~ace~~] only, the first-  
2 half tri-superfecta pool shall be distributed according to the  
3 following precedence, based upon the official order of finish  
4 for the first tri-superfecta race:

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

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

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

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

17          (5) As a single price pool to those whose combination  
18 included, in correct sequence, the second and third betting  
19 interests; but if there are no such wagers, then

20          (6) As a single price pool to those whose combination  
21 correctly selected the second-place betting interest; but if  
22 there are no such wagers, then

1           (7) As a single price pool to those whose combination  
2 correctly selected the third-place betting interest; but if  
3 there are no such wagers, then

4           (8) The tri-superfecta pool shall be canceled and the  
5 entire pool shall be carried forward to the next consecutive  
6 performance and combined with that performance's second-half  
7 tri-superfecta pool.

8           (e) If no first-half tri-superfecta ticket selects the first  
9 three finishers of that race in exact order, no exchange tickets  
10 for the second-half tri-superfecta pool will be issued and the  
11 second-half tri-superfecta pool shall be carried over and added  
12 to the tri-superfecta carryover pool.

13           (f) A first-half tri-superfecta ticket that selects the first  
14 three finishers of that race in exact order may be exchanged for  
15 a ticket selecting the first four finishers of the second tri-  
16 superfecta race. The second-half tri-superfecta pool shall be  
17 distributed according to the following precedence, based upon  
18 the official order of finish for the second tri-superfecta race:

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

23           (2) The second-half tri-superfecta pool for that contest  
24 shall be carried forward to the next consecutive performance and

1 shall be combined with that performance's second-half tri-  
2 superfecta pool.

3 (g) If a winning first-half tri-superfecta ticket is not  
4 presented for cashing and exchange before the start of the  
5 second tri-superfecta race, the ticket holder may collect the  
6 monetary value associated with the first-half tri-superfecta  
7 pool but forfeits all right to a distribution of the second-half  
8 tri-superfecta pool.

9 (h) If fewer than six horses of different betting interests  
10 leave the paddock for the first tri-superfecta race or fewer  
11 than six greyhounds start the first tri-superfecta race, the  
12 tri-superfecta contest shall be canceled and the entire tri-  
13 superfecta pool for that performance shall be refunded.

14 (i) Before the running of the first tri-superfecta race, if  
15 due to a scratch the second tri-superfecta race has fewer than  
16 seven horses of different betting interests or fewer than seven  
17 greyhounds of different betting interests, the tri-superfecta  
18 shall be canceled and the entire tri-superfecta pool for that  
19 performance shall be refunded.

20 (j) After the running of the first tri-superfecta race, if  
21 due to a late scratch, the second tri-superfecta race has fewer  
22 than seven horses of different betting interests that start or  
23 has fewer than seven greyhounds of different betting interests  
24 that start, all exchange tickets and outstanding first-half

1 winning tickets shall be entitled to the second-half tri-  
2 superfecta pool for that performance as a single price pool, but  
3 not the tri-superfecta carryover.

4 (k) Coupled entries and mutuel fields may not be permitted in  
5 a tri-superfecta horse contest unless there are six or more  
6 betting interests and seven or more betting interests in the  
7 second race. Coupled entries or mutuel fields in a tri-  
8 superfecta race shall race as a single betting interest for the  
9 purpose of mutuel pool calculations and payout to the public.

10 (l) If a betting interest in the first tri-superfecta race is  
11 scratched, all tri-superfecta wagers including the scratched  
12 betting interest shall be refunded.

13 (m) If a betting interest in the second tri-superfecta race  
14 is scratched, an announcement concerning the scratch shall be  
15 made and a reasonable amount of time shall be provided to  
16 exchange tickets that include the scratched betting interest.

17 (n) If there is a dead heat or multiple dead heats in either  
18 the first or second tri-superfecta race, all tri-superfecta  
19 wagers selecting the correct order of finish, counting a betting  
20 interest involved in a dead heat as finishing in any dead-heated  
21 position, shall be a winner. In the case of a dead heat  
22 occurring in:

23 (1) the first tri-superfecta race, the payout shall be  
24 calculated as a profit split; and

1           (2) the second tri-superfecta race, the payout shall be  
2 calculated as a single price pool.

3           (o) If either of the tri-superfecta races are canceled prior  
4 to the first tri-superfecta race, or if the first tri-superfecta  
5 race is declared "no contest", the entire tri-superfecta pool  
6 for that performance shall be refunded and the second-half pool  
7 shall be canceled.

8           (p) If the second tri-superfecta race is canceled or declared  
9 "no contest" on a:

10           (1) non-designated mandatory payout performance, all  
11 exchange tickets and outstanding first-half winning tri-  
12 superfecta tickets shall be entitled to the net tri-superfecta  
13 pool for that performance as a single price pool, but not the  
14 tri-superfecta carryover. If there are no such tickets, the net  
15 tri-superfecta pool shall be carried over to the next  
16 consecutive performance and combined with that performance's  
17 second-half tri-superfecta pool; and

18           (2) designated mandatory payout performance, all exchange  
19 tickets and outstanding first-half winning tri-superfecta  
20 tickets as determined by subsection (s) of this section shall be  
21 entitled to the net tri-superfecta pool for that performance and  
22 the tri-superfecta carryover as a single price pool.

23           (q) An association may file a written request for permission  
24 to distribute the tri-superfecta carryover on a specific

1 performance with the executive secretary. The request must  
2 contain justification for the distribution, an explanation of  
3 the benefit to be derived, and the intended date and performance  
4 for the distribution.

5 (r) Distribution on Mandatory Payout.

6 (1) Notwithstanding subsections (e) and (t) of this  
7 section, on the last performance of a race meet or a designated  
8 mandatory payout performance, exchange tickets will be issued  
9 for those combinations selecting the greatest number of betting  
10 interests in the first tri-superfecta race in the following  
11 order:

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

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

18 (C) As a single price pool to those whose combination  
19 included, in correct sequence, the first and third betting  
20 interests; but if there are no such wagers, then

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

1           (E) As a single price pool to those whose combination  
2 included, in correct sequence, the second and third betting  
3 interests; but if there are no such wagers, then

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

7           (G) As a single price pool to those whose combination  
8 correctly selected the third-place betting interest.

9           (2) Notwithstanding subsections (e) and (t) of this  
10 section, on the last performance of a race meeting or a  
11 designated mandatory payout performance, if there are no wagers  
12 selecting the finishers in the order described in Paragraph (1)  
13 of this subsection and there is a carryover, all first-half  
14 tickets are considered winners and the tri-superfecta pool for  
15 that performance and the tri-superfecta carryover shall be  
16 distributed equally among them.

17           (3) Notwithstanding subsections (e) and (t) of this  
18 section, on the last performance of a race meeting or a  
19 designated mandatory payout performance, if there are no wagers  
20 selecting the finishers in the order described in Paragraph (1)  
21 of this subsection and there is no carryover, the tri-superfecta  
22 shall be canceled and the entire tri-superfecta pool shall be  
23 refunded.

1       (s) Notwithstanding subsections (f) and (t) of this section,  
2 on the last performance of a race meeting or on a designated  
3 mandatory payout performance, the following precedence will be  
4 followed in determining winning tickets for the second-half of  
5 the tri-superfecta:

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

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

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

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

18           (5) As a single price pool to those whose combination  
19 included, in correct sequence, the second-place betting  
20 interests; but if there are no such wagers, then

21           (6) As a single price pool to those whose combination  
22 correctly selected the third-place betting interest; but if  
23 there are no such wagers, then

1           (7) As a single price pool to those whose combination  
2 correctly selected the fourth-place betting interest; but if  
3 there are no such wagers, then

4           (8) As a single price pool to holders of valid exchange  
5 tickets; but if there are no such persons, then

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

8           ~~[(s)Distribution on Mandatory Payout.]~~

9           ~~[(1) Notwithstanding subsections (e) and (t) of this  
10 section, on the last performance of a race meet or a designated  
11 mandatory payout performance, exchange tickets will be issued  
12 for those combinations selecting the greatest number of betting  
13 interests in the first tri-superfecta race in the following  
14 order:]~~

15           ~~[(A) As a single price pool to those whose combination  
16 finished in correct sequence as the first three betting  
17 interests; but if there are no such wagers, then]~~

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

21           ~~[(C) As a single price pool to those whose combination  
22 included, in correct sequence, the first and third betting  
23 interests; but if there are no such wagers, then]~~

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

4           ~~[(E) As a single price pool to those whose combination~~  
5 ~~included, in correct sequence, the second and third betting~~  
6 ~~interests; but if there are no such wagers, then]~~

7           ~~[(F) As a single price pool to those whose combination~~  
8 ~~correctly selected the second place betting interest; but if~~  
9 ~~there are no such wagers, then]~~

10           ~~[(G) As a single price pool to those whose combination~~  
11 ~~correctly selected the third place betting interest.]~~

12           ~~(2) Notwithstanding subsections (c) and (t) of this section,~~  
13 ~~on the last performance of a race meeting or a designated~~  
14 ~~mandatory payout performance, if there are no wagers selecting~~  
15 ~~the finishers in the order described in Paragraph (1) of this~~  
16 ~~subsection and there is a carryover, all first half tickets are~~  
17 ~~considered winners and the tri superfecta pool for that~~  
18 ~~performance and the tri superfecta carryover shall be~~  
19 ~~distributed equally among them.]~~

20           ~~[(3) Notwithstanding subsections (c) and (t) of this~~  
21 ~~section, on the last performance of a race meeting or a~~  
22 ~~designated mandatory payout performance, if there are no wagers~~  
23 ~~selecting the finishers in the order described in Paragraph (1)~~  
24 ~~of this subsection and there is no carryover, the tri superfecta~~

1 ~~shall be canceled and the entire tri-superfecta pool shall be~~  
2 ~~refunded.]~~

3 (t) Cap on Carryover.

4 (1) The tri-superfecta carryover may be capped at a  
5 designated level approved by the executive secretary so that if,  
6 at the close of any performance, the amount in the tri-  
7 superfecta carryover equals or exceeds the designated cap, the  
8 tri-superfecta carryover will be frozen until it is won or  
9 distributed under other provisions of this section. After the  
10 tri-superfecta carryover is frozen, 50% of the tri-superfecta  
11 pool shall be distributed to winners of the first tri-superfecta  
12 contest using the following precedence:

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

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

19 (C) As a single price pool to those whose combination  
20 included, in correct sequence, the first and third betting  
21 interests; but if there are no such wagers, then

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

1           (E) As a single price pool to those whose combination  
2 included, in correct sequence, the second and third betting  
3 interests; but if there are no such wagers, then

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

7           (G) As a single price pool to those whose combination  
8 correctly selected the third-place betting interest; but if  
9 there are no such wagers, then

10           (H) the tri-superfecta shall be canceled and the entire  
11 tri-superfecta pool for that performance shall be refunded.

12           (2) After the tri-superfecta carryover is frozen, exchange  
13 tickets will be issued for winning tickets of the first half of  
14 the tri-superfecta pool as determined in paragraph (1) of this  
15 subsection. The second-half tri-superfecta pool shall be  
16 distributed according to the following precedence, based upon  
17 the official order of finish for the second tri-superfecta race:

18           (A) As a single price pool, including the carryover, to  
19 those who received an exchange ticket under paragraph (1)(A) of  
20 this subsection, and whose combination finished in correct  
21 sequence as the first four betting interests of the second leg  
22 of the tri-superfecta pool; but if there are no such tickets,  
23 then

1           (B) Fifty percent (50%) of the tri-superfecta pool for  
2 that performance only shall be distributed in the following  
3 precedence:

4           (i) As a single price pool to those whose  
5 combination include, in correct sequence, the first four betting  
6 interests of the second leg of the tri-superfecta pool; but if  
7 there are no such wagers, then

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

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

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

17           (v) As a single price pool to those whose  
18 combination included, in correct sequence, the second-place  
19 betting interests; but if there are no such wagers, then

20           (vi) As a single price pool to those whose  
21 combination correctly selected the third-place betting interest;  
22 but if there are no such wagers, then

1           (vii) As a single price pool to those whose  
2 combination correctly selected the fourth-place betting  
3 interest; but if there are no such wagers, then

4           (viii) As a single price pool to holders of valid  
5 exchange tickets; but if there are no such persons, then

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

8           (u) The tri-superfecta carryover shall be designated for  
9 mandatory payout on a specified date and performance only under  
10 the following circumstances:

11           (1) on written approval from the executive secretary as  
12 provided in subsection (q) of this section;

13           (2) on written approval from the executive secretary when  
14 there is a change in the carryover cap or when the tri-  
15 superfecta is discontinued; and

16           (3) on the last performance of the race meeting.

17           (v) If the tri-superfecta carryover must be held over to the  
18 corresponding tri-superfecta pool of a subsequent race meeting,  
19 the carryover shall be deposited in an interest-bearing account  
20 approved by the executive secretary. The tri-superfecta  
21 carryover plus accrued interest shall be carried forward and  
22 added to the second-half tri-superfecta pool of the following  
23 race meeting on a date and performance designated by the  
24 executive secretary.

1       (w) The association must obtain written approval from the  
2 executive secretary concerning the scheduling and the amount of  
3 the cap to be set on the carryover. Any changes to the approved  
4 tri-superfecta format require prior approval from the executive  
5 secretary.

6       Sec. 321.316. ODD-EVEN.

7       (a) The odd-even is not a parlay and has no connection with  
8 or relation to the win, place, and show pools shown on the tote  
9 board. The odd-even is a separate pool and shall be calculated  
10 as a win pool.

11       (b) A person purchasing an odd-even ticket shall designate  
12 "odd" or "even". An "odd" ticket represents a wager on each race  
13 animal with an odd number as listed in the official program. An  
14 "even" ticket represents a wager on each race animal with an  
15 even number as listed in the official program.

16       (c) If the race animal finishing first has an odd program  
17 number, the odd-even pool shall be distributed to the holders of  
18 tickets designating odd. If the race animal finishing first has  
19 an even program number, the odd-even pool shall be distributed  
20 to the holders of tickets designating even.

21       (d) Except as otherwise provided by this subsection, if after  
22 wagering has begun an animal entered in an odd-even race is  
23 scratched or otherwise prevented from racing, there will be no  
24 refund. The association, with the approval of the stewards or

1 racing judges, may cancel the odd-even pool and refund all money  
2 in the pool if there are less than three odd program number race  
3 animals or less than three even program number race animals  
4 participating in a race.

5 (e) Except as otherwise provided in this subsection, if a  
6 race ends in a dead heat for first place between a race animal  
7 with an odd program number and a race animal with an even  
8 program number, the program number of the third place finishing  
9 animal will determine the winners of the odd-even pool. If there  
10 is a dead heat for third place between a race animal with an odd  
11 program number and a race animal with an even program number,  
12 the program number of the fifth place finishing animal will  
13 determine the winners of the odd-even pool. If a race ends a  
14 dead heat for first place between three race animals, the type  
15 of program number of the majority of the animals involved in the  
16 dead heat will determine the winners of the odd-even pool.

17 Sec. 321.317. PREVENTION OF START.

18 Except as otherwise provided by these rules, if a door in a  
19 starting gate or box fails to open simultaneously with the other  
20 doors, thereby preventing a horse or greyhound from obtaining a  
21 fair start when the starter dispatches the field, that animal is  
22 considered scratched for pari-mutuel purposes only and all  
23 wagers made on that animal shall be refunded.

1       Sec. 321.318. SPECIAL WAGER.

2       (a) Special wager authorized.

3           (1) Subject to the prior approval of the Commission, an  
4 association may offer a special wager in any form of wager  
5 authorized by the Rules. All applicable laws and rules that  
6 apply to the form of wager selected for the special wager apply  
7 to the special wager.

8           (2) A special wager must be based on the outcome of a race  
9 or races and comply with the definition of pari-mutuel wagering  
10 as defined by the Act, §1.03(18). The wager must be based on the  
11 performance of a specific race animal or animals in a race or  
12 races.

13          (3) All tickets on a special wager shall be calculated as  
14 a separate pool. If a special wager uses a point system to  
15 determine the winning tickets, the stewards or racing judges are  
16 responsible for certifying the accuracy of the point totals for  
17 purposes of payoff calculations and pool distribution. The use  
18 of any point system must be based on objective criteria.

19       (b) Approval of special wager.

20           (1) To offer a special wager, an association must file a  
21 written request with the executive secretary. The request must  
22 be filed no later than the 30th day before the day on which the  
23 Commission is to consider the request.

24           (2) The request must state:

1 (A) the name of the wager;

2 (B) the type of wagering pool to be used;

3 (C) the method by which winning tickets will be  
4 determined; and

5 (D) the method for addressing dead heats, no contest  
6 races, scratches, jockey changes, coupled entries, prevention of  
7 start, and disqualifications.

8 (3) After reviewing the request, the executive secretary  
9 may request additional information regarding the special wager.

10 (4) If the Commission determines the proposed special  
11 wager will be offered in a manner that complies with the Rules  
12 and that is consistent with maintaining the integrity of pari-  
13 mutuel wagering, the Commission may approve the request. The  
14 Commission may place reasonable conditions on the approval of  
15 the special wager. The Commission has sole discretion to approve  
16 or disapprove requests for special wagers.

17 (5) The executive secretary shall notify the association  
18 of the Commission's decision regarding the request no later than  
19 the fifth day after the Commission's decision.

20 (6) Approval of a special wager is perpetual, unless the  
21 association proposes to change the method by which winning  
22 tickets will be determined or the method for addressing dead  
23 heats, no contest races, scratches, jockey changes, coupled  
24 entries, prevention of start, and disqualifications. In that

1 instance, the association must obtain approval for the changes  
2 in the special wager.

3 (c) Notice of special wager.

4 (1) An association shall publish notice of a special wager  
5 that is approved in its program at least 14 days before the  
6 first day the special wager will be offered. If the wager is to  
7 be offered during the first 14 days of a live race meeting, the  
8 association shall publish notice of the special wager in the  
9 program for every race day in the race meeting before the day  
10 the special wager is to be offered.

11 (2) The association shall post in a prominent place in the  
12 grandstand of the racetrack a full description of the special  
13 wager, including all information described in Subsection (b)(2)  
14 of this section and any conditions imposed by the Commission.

15 SUBCHAPTER D. SIMULCAST WAGERING.

16 DIVISION 1. GENERAL PROVISIONS.

17 Sec. 321.401. PURPOSE.

18 The Commission finds that, although wagering on simulcast  
19 races provides additional revenue for the state treasury, the  
20 primary advantage of wagering on simulcast races is the  
21 additional revenue it provides for purses for live races  
22 conducted in this state. The Commission further finds it is in  
23 the public interest to encourage live racing, which promotes  
24 economic development in a variety of racing-related industries.

1 Therefore, it is the Commission's intent to adopt and enforce  
2 rules relating to simulcast wagering in a manner that will  
3 encourage live racing and enhance the horse breeding, owning,  
4 and training industries and the greyhound breeding, owning, and  
5 training industries.

6 Sec. 321.403. SIMULCASTING LICENSE.

7 (a) A license to operate a pari-mutuel racetrack in this  
8 state held by an association that has been granted live race  
9 dates includes as a part of its privileges the privilege of  
10 conducting pari-mutuel wagering on simulcast races and to  
11 simulcast races conducted by the association. The conducting of  
12 pari-mutuel wagering on simulcast races and the simulcasting of  
13 races conducted by the association is subject to the approval of  
14 the executive secretary.

15 (b) The approval of any particular simulcasting or wagering  
16 on particular simulcast races or programs is not binding on the  
17 executive secretary for other requests for approval of  
18 simulcasting or wagering on simulcast races or programs.

19 Sec. 321.405. APPROVAL OF EXPORTING SIMULCAST RACES.

20 (a) An association that wishes to serve as an exporting  
21 racetrack shall submit the form of its contract as an exporting  
22 racetrack to the executive secretary for approval.

1       (b) If the association changes the form of the contract, the  
2 association shall submit the changed version of the form to the  
3 executive secretary for approval.

4       (c) If an association enters into a contract as an exporting  
5 racetrack that differs from the form approved by the executive  
6 secretary with respect to its responsibilities as a host  
7 racetrack under these rules, the association shall immediately  
8 notify the executive secretary in writing.

9       (d) After the association has entered into a contract to  
10 export its races, the association shall file a request for  
11 approval of the export to the executive secretary on a form  
12 prescribed by the executive secretary. A request for approval to  
13 export must be filed before post time of the first race covered  
14 by the request.

15       Sec. 321.407. APPROVAL OF WAGERING ON SIMULCAST IMPORT RACES.

16       (a) To receive approval to conduct pari-mutuel wagering on a  
17 simulcast import, an association must file a request for  
18 approval to import to the executive secretary on a form  
19 prescribed by the executive secretary. A request for approval to  
20 import a simulcast must be filed at least three days before the  
21 first simulcast race covered by the request.

22       (b) The executive secretary may approve a request for  
23 approval to import a simulcast, subject to rescission of the  
24 approval by the Commission at its next regular meeting.

1 (c) The executive secretary may require the association to  
2 submit additional information if the executive secretary  
3 determines the additional information is necessary to  
4 effectively evaluate the request.

5 (d) In considering whether or not to approve a request for  
6 approval to import a simulcast, the executive secretary shall  
7 consider:

8 (1) the financial stability of the association and the  
9 effect simulcasting will have on the economic viability of the  
10 association;

11 (2) the operating experience of the association;

12 (3) the regulatory compliance and conduct of the  
13 association;

14 (4) the impact of the association's proposed simulcasting  
15 on purses at the association's racetrack; and

16 (5) the public interest that will be served by the  
17 simulcasting.

18 (e) An association may not conduct pari-mutuel wagering on a  
19 simulcast import in place of a regularly scheduled live race,  
20 except as authorized by the executive secretary.

21 Sec. 321.409. SIMULCASTING CONTRACT.

22 All contracts executed by an association regarding  
23 simulcasting are subject to inspection by the executive  
24 secretary. An association shall maintain each contract regarding

1 simulcasting for at least one year after the end of the term of  
2 the contract. An association must provide a copy of the contract  
3 to the executive secretary on request.

4 Sec. 321.411. PUBLIC ADDRESS SYSTEM.

5 An association that conducts pari-mutuel wagering on a  
6 simulcast import must have a public address system in place that  
7 is:

8 (1) accessible to the mutuel manager from the mutuel  
9 department work area; and

10 (2) capable of being heard in all areas where the patrons  
11 may view a simulcast race.

12 Sec. 321.413. DUTIES OF GUEST RACETRACK.

13 (a) An association that conducts pari-mutuel wagering on a  
14 simulcast import acts as a guest racetrack on those dates. The  
15 guest racetrack shall:

16 (1) provide adequate communication facilities, enabling  
17 pari-mutuel data transmissions and data communications between  
18 totalisator systems of the host racetrack and the guest  
19 racetrack;

20 (2) if the guest racetrack participates in common pools,  
21 provide a direct telephone line and a facsimile machine, or  
22 other means approved by the executive secretary, located in the  
23 mutuel area to transmit information to the host racetrack in  
24 case of a system failure; and

1           (3) display the audio and video signals of the races being  
2 simulcast to the patrons.

3           (b) After each simulcast performance, the guest racetrack  
4 shall provide the reports of its pari-mutuel operations required  
5 by Subchapters A and B of this chapter.

6           Sec. 321.415. DUTIES OF HOST RACETRACK.

7           (a) An association that exports races conducted by the  
8 association acts as a host racetrack on the dates the races are  
9 conducted and exported.

10          (b) A host racetrack is responsible for the content of the  
11 simulcast and shall use reasonable effort to present a simulcast  
12 which offers the viewers an exemplary depiction of the  
13 performance, a periodic display of wagering information, and  
14 continuity of programming between racing events.

15          (c) The host racetrack shall provide transmission equipment  
16 of acceptable broadcast quality that does not interfere with the  
17 closed circuit TV system of the guest racetrack. The host  
18 racetrack must transmit and receive wagering information via a  
19 data circuit. If the host racetrack plans to form common pools,  
20 the racetrack shall provide a direct telephone line and a  
21 facsimile machine, or other means approved by the executive  
22 secretary, located in the mutuel area to receive information  
23 from the guest racetracks in case of a system failure.

1 (d) Unless otherwise permitted by the executive secretary, a  
2 simulcast must contain in its video content:

3 (1) the date;

4 (2) a digital display of the actual time of day at the  
5 host racetrack;

6 (3) the name of the host racetrack;

7 (4) the number of the race being displayed; and

8 (5) any other relevant information available to patrons at  
9 the host racetrack.

10 (e) At least 15 minutes before post time for the first race,  
11 the host racetrack must be transmitting its signal to ensure  
12 proper operation of the transmission system.

13 Sec. 321.417. EMERGENCY PROCEDURES.

14 (a) If an association is unable to establish or to maintain  
15 the audio or video signal from a host racetrack, the association  
16 shall immediately notify the host racetrack of the lost signal  
17 and may continue to accept wagers for 30 minutes while  
18 attempting to establish the signal.

19 (b) If after 30 minutes the audio or video signal cannot be  
20 established the association may continue to accept wagers on the  
21 signal provided:

22 (1) the mutuel manager makes an announcement to the public  
23 informing them that due to technical difficulties the audio or  
24 video signal has been lost;

1           (2) the association transmits the odds on the affected  
2 race to the video department to be displayed to the patrons; and

3           (3) the totalisator operator locks all wagering on the  
4 affected race at zero minutes to post to ensure the integrity  
5 and transfer of the wagering pools.

6           (c) If the host racetrack loses the ability to transmit the  
7 audio or video signal, the host racetrack:

8           (1) shall notify all guest racetracks of the technical  
9 difficulties being experienced;

10           (2) may continue to accept wagers from the guest  
11 racetracks on that day's races; and

12           (3) may not accept wagers from the guest racetracks for  
13 subsequent race days until the technical difficulties have been  
14 corrected.

15           Sec. 321.419. SIMULCASTING OFFICIALS.

16           The mutuel manager shall be present on association grounds at  
17 all times that the association is conducting pari-mutuel wagers  
18 on a simulcast import. The mutuel manager shall:

19           (1) before wagering is opened, proof the pools and entries  
20 available for wagering for accuracy;

21           (2) advise the wagering public via the public address  
22 system of all matters required to be announced by the Rules;

23           (3) make decisions on common pooling issues;

1           (4) be responsible for the integrity of the pools wagered  
2 at the association's racetrack facilities; and

3           (5) notify the pari-mutuel auditor of any problems  
4 occurring during simulcast wagering.

5       Sec. 321.421. STOP BETTING COMMAND.

6       (a) The totalisator operator shall ensure the auto-lock  
7 feature on the totalisator system is engaged at all times the  
8 totalisator system is operating. If the stop betting command  
9 from a host racetrack is not received, the totalisator operator  
10 shall issue the "stop betting" command and lock all wagering on  
11 the race at that location.

12       (b) The association's mutuel manager and the totalisator  
13 operator are responsible for ensuring that all wagering stops at  
14 that location when the "stop betting" command is issued from the  
15 host racetrack.

16       (c) If the link between the totalisator systems at the host  
17 and guest racetracks is lost, the totalisator operator at the  
18 guest racetrack shall lock all pools at the guest racetrack at  
19 zero minutes to post.

20       (d) An association may not permit a wager to be accepted or a  
21 ticket to be cancelled after the "stop betting" command has been  
22 issued.

23       (e) If a wager is accepted after the "stop betting" command  
24 has been issued:

1           (1) the mutuel manager, before the race is declared  
2 official, shall inform the pari-mutuel auditor that a wager was  
3 accepted after the "stop betting" command was issued; and

4           (2) the mutuel manager shall decide to either:

5                 (A) refund the wagers accepted after the "stop betting"  
6 command was issued, or

7                 (B) to refund all the wagers made on the race.

8           (f) A wager accepted after the "stop betting" command is  
9 issued is not considered a valid wager.

10                                 DIVISION 2. COMMON POOL WAGERING.

11           Sec. 321.451. GENERAL PROVISIONS.

12           (a) With the prior approval of the executive secretary, pari-  
13 mutuel pools offered by an association that is participating in  
14 a simulcast may be combined with corresponding wagering pools  
15 offered by the other racetracks participating in the simulcast  
16 to form a common pool.

17           (b) An association participating in a common pool must  
18 include in the simulcast contract:

19                 (1) the take out rates;

20                 (2) public payout rates;

21                 (3) contact names and phone numbers; and

22                 (4) settlement arrangements for liabilities incurred.

23           (c) The content and format of the visual display of racing  
24 and wagering information at facilities in other racing

1 jurisdictions in the interstate common pools need not be  
2 identical to the information required to be displayed under the  
3 Rules.

4 Sec. 321.453. FORMATION OF COMMON POOL.

5 (a) An association shall transmit wagering data through a  
6 method authorized by this subsection, in the following order of  
7 preference:

8 (1) via a data circuit or frame relay;

9 (2) via facsimile; or

10 (3) by voice.

11 (b) Except as otherwise provided by this subsection, the odds  
12 and prices for a common pool shall be calculated in accordance  
13 with the laws and rules of the jurisdiction in which the host  
14 racetrack is located. In determining the amount distributable to  
15 the wagerers, the total takeout required in the jurisdiction in  
16 which the host racetrack is located shall be used. If the  
17 association desires, the association may use the net pool  
18 pricing method for determining the payoff prices.

19 (c) An association shall ensure that the necessary records  
20 are maintained regarding the amounts wagered at its racetrack  
21 for accounting, auditing, and reporting purposes.

22 Sec. 321.455. DISTRIBUTION OF COMMON POOL.

23 (a) For purposes of pool calculations, a wager is considered  
24 made at the place at which the pool originates.

1 (b) The payoff attributable to the association shall be based  
2 on the actual winnings indicated by the totalisator system.

3 (c) The total takeout applicable to the wagers received in  
4 this state for a common pool shall be distributed in accordance  
5 with the Act. A gain or loss caused by a difference in takeout  
6 totals shall be part of the association's revenue or expense  
7 from the interstate simulcast.

8 (d) A surcharge or other withholding other than the takeout  
9 authorized by law shall be applied only in the jurisdiction  
10 imposing the surcharge or withholding.

11 Sec. 321.457. BREAKAGE.

12 Breakage calculation is determined by the host racetrack.

13 Sec. 321.459. MANUAL MERGE.

14 (a) If the guest racetrack's totalisator system fails to  
15 adequately transmit wagering data to the host racetrack, the  
16 host racetrack shall manually merge the pools if a manual merge  
17 will not endanger the pools at the host racetrack and the host  
18 racetrack permits a manual merge.

19 (b) To merge the pools manually, the guest racetrack's mutuel  
20 manager shall send the host racetrack a facsimile containing the  
21 total amount in the pool, the total dollars on winning wagers,  
22 and the total dollars on losing wagers. When the manual merge is  
23 complete, for purposes of declaring the race official, the  
24 totalisator operator at the host racetrack shall notify:

1           (1) the stewards or racing judges at the host racetrack;  
2 and

3           (2) the presiding steward or racing judge, or the highest  
4 ranking mutuel official if the steward or judge is not on the  
5 grounds, at the guest racetrack.

6       Sec. 321.461. FAILURE TO MERGE.

7       (a) Except as otherwise provided by this section, if it  
8 becomes impossible to successfully merge a guest racetrack's  
9 wagers in the common pool via data circuit or manual merge, the  
10 mutuel manager shall:

11           (1) refund the pools not successfully merged after  
12 announcing to the public that the pools were not merged  
13 successfully and the pools will be refunded ; or

14           (2) pay the winning wagerers based on the prices  
15 established at the host racetrack.

16       (b) The mutuel manager shall report the failure to merge any  
17 common pool to the pari-mutuel auditor. The report must be on a  
18 form prescribed by the executive secretary and be filed no later  
19 than the day after the date the common pool failed to merge.

20       (c) A contract for common pools entered into by an  
21 association as a host racetrack must contain a provision stating  
22 that the association is not liable if a guest racetrack's wagers  
23 are not accepted into a common pool if:

1           (1) it becomes impossible to successfully merge the wagers  
2 placed in another state in the common pool; or

3           (2) the mutuel manager determines that attempting to  
4 transfer pool data from the guest racetrack will endanger the  
5 common pool.

6           DIVISION 3. SIMULCASTING AT HORSE RACETRACKS.

7           Sec. 321.501. NEGOTIATION WITH HORSEMEN.

8           (a) Except as otherwise provided by this subsection, an  
9 association shall negotiate with the officially recognized  
10 horsemen's organization in this state regarding all  
11 simulcasting. An association and the officially recognized  
12 horsemen's organization may not agree to an allocation of  
13 simulcast revenue to purses that differs from §321.502 of this  
14 title (relating to Purses.)

15           (b) If after a good faith effort the association and the  
16 organization cannot reach an agreement on simulcasting, either  
17 party may petition the Commission to decide the issues in  
18 dispute. The decision of the Commission is binding on all  
19 parties.

20           Sec. 321.503. PURSES.

21           (a) To be approved by the executive secretary, an  
22 association's request for approval to import a simulcast must  
23 allocate for purses as follows:

1           (1) for a same species simulcast, as provided by the Act,  
2 §6.08; and

3           (2) for a cross-species simulcast, as provided in the  
4 contract with the officially recognized horsemen's organization.

5           (b) To be approved by the executive secretary, an  
6 association's request for approval to export a simulcast must  
7 allocate 37.0% for purses from the simulcast fee charged to the  
8 guest racetrack.

9           (c) An association shall distribute the funds derived for  
10 purses from a simulcast during the 12-month period immediately  
11 following the simulcast.

12           Sec. 321.505. ALLOCATION OF PURSES AND FUNDS FOR TEXAS BRED  
13 INCENTIVE PROGRAMS.

14           (a) Purses.

15           (1) An association shall recommend the percentages by  
16 which it will divide the purse revenue generated from  
17 simulcasting among the various breeds of horses. The percentages  
18 are subject to the approval of the Commission.

19           (2) Before recommending the percentages, the association  
20 shall receive information from the organizations recognized by  
21 the Commission or in the Act as representatives of horse owners,  
22 trainers, and/or breeders.

23           (3) When requesting Commission approval of the  
24 percentages, the association shall present studies, statistics,

1 or other documentation to support its proposed allocation of  
2 funds.

3 (b) Texas Bred Incentive Program Funds.

4 (1) The Commission shall determine the percentages by  
5 which Texas Bred Incentive Program funds generated from  
6 simulcasting are divided among the various breeds of horses.

7 (2) Before determining the percentages, the Commission  
8 shall receive information from the official breed registries  
9 designated in the Act and the associations. In determining the  
10 percentages the Commission shall consider the effect of the  
11 proposed percentages on the state's agricultural horse breeding  
12 and horse training industry.

13 Sec. 321.507. PRIORITY OF SIGNALS.

14 (a) Class 1 and Class 2 Racetracks.

15 A Class 1 or Class 2 racetrack may offer pari-mutuel wagering  
16 on a race simulcast from another jurisdiction, subject to the  
17 approval of the executive secretary, provided the Class 1 or  
18 Class 2 racetrack also offers all available simulcast races  
19 originating in Texas on that day.

20 (b) Class 3 and Class 4 Racetracks.

21 A Class 3 or Class 4 racetrack may conduct pari-mutuel  
22 wagering on a race simulcast from another jurisdiction, subject  
23 to the approval of the executive secretary, provided the Class 3  
24 or Class 4 racetrack:

1           (1) also offers all available simulcast races originating  
2 in Texas on that day;

3           (2) is owned or managed by an entity that has at least  
4 three years experience operating a pari-mutuel racetrack in  
5 Texas;

6           (3) demonstrates to the Commission's satisfaction that the  
7 simulcasting is necessary to provide sufficient purses to  
8 support the Texas live racing industry;

9           (4) demonstrates to the Commission's satisfaction that the  
10 live racing program offered at the racetrack provides  
11 significant support to the Texas horse breeding industry; and

12           (5) demonstrates to the Commission any effect simulcasting  
13 may have on each Class 1, Class 2, or greyhound racetrack  
14 located within 100 miles of the Class 3 or Class 4 racetrack.

15       Sec. 321.509. ESCROWED PURSE ACCOUNT.

16       (a) At least once a year, the Commission shall distribute all  
17 funds accrued in the escrowed purse account created by the Act,  
18 §6.091(e). The executive secretary shall establish a deadline  
19 for receiving requests for distribution from the account and  
20 publicize that deadline to the horse racetrack associations at  
21 least 30 days before the deadline.

22       (b) The Commission shall determine the amount of the  
23 distribution to each racetrack in accordance with the standards  
24 set forth in the Act, §6.091(e) and (f).

1                   SUBCHAPTER E. TICKETLESS ELECTRONIC WAGERING.

2                           DIVISION 1. CONDUCT OF E-WAGERING.

3           Sec. 321.601. PURPOSE.

4           (a) The Commission recognizes that the technology for placing  
5 wagers is ever changing. The Commission adopts these rules as  
6 guidelines to conduct E-wagering that maintains the integrity of  
7 pari-mutuel wagering.

8           (b) E-wagering may be conducted only within the enclosure of  
9 an association.

10           (c) Only persons meeting the age restriction in §321.17 of  
11 this title (relating to Activities by Minors Restricted) may  
12 participate in E-wagering. E-wagers must be made in person.

13           Sec. 321.603. AUTHORIZATION FOR E-WAGERING.

14           An association may not conduct E-wagering unless approved by  
15 the executive secretary.

16           Sec. 321.605. E-WAGERING PLAN.

17           (a) To be approved to conduct E-wagering, an association must  
18 submit a plan to the executive secretary. The plan must include:

19                   (1) the procedures for opening an account;

20                   (2) the procedures for establishing identity of account  
21 holder;

22                   (3) the procedures for making deposits to the account;

23                   (4) the procedures for making withdrawals from the  
24 account;

1           (5) the procedures for closing an account; and

2           (6) a description of the totalisator system and E-wagering

3 access system.

4           (b) The executive secretary may approve a plan to conduct E-

5 wagering if the executive secretary determines that the

6 association's plan meets the requirements of this section and

7 does not conflict with the Rules or the Act.

8           Sec. 321.607. E-WAGERING ACCOUNT RESTRICTIONS.

9           (a) The mutuel manager of an association shall establish and

10 manage E-wagering within an association's enclosure.

11           (b) The making and acceptance of wagers over the

12 communications facility known as the "Internet" or "telephone"

13 is prohibited.

14           (c) An association may accept deposits to an account only in

15 the form of cash, cashier's check, money order, or other method

16 determined by the executive secretary to be a cash equivalent.

17           (d) The association may not accept wagers in an amount that

18 exceeds the account balance.

19           (e) An account holder must be at least 21 years of age.

20           (f) An account holder is responsible for all activity

21 associated with his or her account.

22           (g) An association may use E-wagering devices only if the

23 devices are connected to the totalisator system.

1       Sec. 321.609. TESTING E-WAGERING.

2       An association's E-wagering system is subject to testing and  
3 inspection by the Commission. All forms of access to an account,  
4 including hardware used directly by the account holder for E-  
5 wagering are subject to testing and inspection by the  
6 Commission.

7                   DIVISION 2. OPERATIONAL REQUIREMENTS.

8       Sec. 321.621. TICKETLESS ELECTRONIC WAGERING HARDWARE.

9       An E-wagering device must be configured for loss of signal  
10 when removed from an association's enclosure.

11       Sec. 321.623. CANCELLATION OF E-WAGERS.

12       An account holder may cancel an E-wager only as provided by  
13 Sec. 321.43 of this title, (relating to Cancellation of Win  
14 Wagers.) A statement approved by the executive secretary must  
15 appear in or accompany the account wagering application form  
16 advising the wagering account applicant of this requirement.

17       Sec. 321.625. DISCREPANCY/DISPUTE RESOLUTION.

18       If an account holder believes a discrepancy exists in his or  
19 her account, the account holder may file a claim for payment  
20 with the executive secretary. The executive secretary shall  
21 investigate all claims for payment and the executive secretary's  
22 determination is final.

1       Sec. 321.627. SUSPENSION OR TERMINATION OF E-WAGERING.

2       (a) The executive secretary may issue a cease and desist  
3 order terminating the E-wagering system if the executive  
4 secretary determines that the operation of the E-wagering  
5 system:

6           (1) violates the Rules, the Act, or other state law;

7           (2) is detrimental to the integrity of pari-mutuel  
8 wagering; or

9           (3) does not comply with the requirements of an E-wagering  
10 system as defined in this Act or a Commission rule.

11       (b) The executive secretary may deny, suspend, or terminate  
12 an individual's E-wagering account if the executive secretary  
13 determines the activities on the account:

14           (1) violate the Rules, the Act, or other state law; or

15           (2) are inconsistent with maintaining the integrity of  
16 pari-mutuel wagering