

# TEXAS RACING COMMISSION

## Laws and Rules Governing Pari-Mutuel Racing in Texas

### List of Replacement Pages

March 8, 2017

**Important Disclaimer:** The information presented here is offered as a convenience to the public and every effort has been made to ensure its accuracy. However, under state law, this does not constitute the official source for the Texas Racing Act or the Texas Racing Commission's rules. **The official source for the Commission's rules is the Texas Administrative Code, compiled and maintained by the [Texas Secretary of State's office \(www.sos.state.tx.us\)](http://www.sos.state.tx.us).**

The current rulebook of the Texas Racing Commission consists of the Rulebook dated MAY 2016 and the following:

- List of Replacement Pages dated 9/1/2016
- List of Replacement Pages dated 11/7/2016
- List of Replacement Pages dated 3/8/2017

Pp. 75-80      *Amendment* – Sec. 301.1 Definitions

Pp. 111-112-B      *Amendment* – Sec. 307.62 Disciplinary Hearings

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*Amendment* - Sec. 321.41 Cashing Outstanding Tickets

*Amendment* - Sec. 321.42 Cashing Outstanding Vouchers

To maintain an updated rulebook, the above pages should be replaced. The Act, the Rules, and revisions are available on the agency's website at [www.txrc.texas.gov](http://www.txrc.texas.gov) or email [info@txrc.texas.gov](mailto:info@txrc.texas.gov) to request a copy. Notification of revisions may be received by providing an email address to [info@txrc.texas.gov](mailto:info@txrc.texas.gov). Please type **Rulebook Updates** in the subject line.

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## CHAPTER 301. DEFINITIONS

### Sec. 301.1. Definitions.

(a) Words and terms defined in the Act shall have the same meaning when used in this part unless otherwise defined below.

(b) The following words and terms, when used in this part, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Act--The Texas Racing Act, Article 179e, Texas Civil Statutes.

(2) Active license--a racetrack license designated by the commission as active.

(3) Age of a greyhound--determined as beginning on the day the greyhound is whelped.

(4) Age of a horse--determined as beginning on the first day of January in the year in which the horse is foaled.

(5) Application documents--documents submitted by an applicant for a license in support of the application.

(6) Application period--a period designated by the Commission for the submission of application documents for a racetrack license.

(7) Association grounds--all real property approved by the Commission for use by an association in the conduct of a race meeting.

(8) Association veterinarian--A veterinarian employed by the association.

(9) Authorized agent--a person appointed in writing by the owner or trainer of a horse or greyhound to represent the owner or trainer at a racetrack.

(10) Backstretch--the straightaway on the side of a track that is opposite to the finish line.

(11) Booking--a contract between an association and a kennel owner for the kennel owner to provide greyhounds to the association for a race meeting and for the association to provide kennel buildings to house the greyhounds.

(12) Branding--the act of a totalisator system imprinting a mutuel ticket with information that identifies the ticket as canceled or cashed and automatically making the appropriate notation in

the system's memories.

(13) Canceled ticket--a mutuel ticket that represents a wager that has been canceled and withdrawn from the pari-mutuel pool.

(14) Cashed ticket--a mutuel ticket that is paid for a winning wager.

(15) Chief veterinarian--the chief veterinarian employed by the Commission.

(16) Common pool--a pool in which the wagers received at a receiving location are combined with the wagers received at a sending racetrack.

(17) Condition of a race--a characteristic element of the race, such as the distance, qualifications of animal to enter, purse or stakes, or other special features.

(18) Coupled entry--two or more horses entered in a race that, because of common ties of ownership are joined to be a single betting interest in that race.

(19) Cushion--the top level of a dirt racetrack.

(20) Dead heat--a race in which two or more race animals finish at the same time.

(21) Double entry--an entry of two or more greyhounds in the same race that have either common ownership or the same trainer and are separate wagering interests.

(22) Encrypted--scrambled or otherwise manipulated audio-visual signals to mask the original video content of the signal to cause the signals to be indecipherable and unrecognizable to any person receiving the signal.

(23) Entry--a horse, or horses in the case of a coupled entry, made eligible to run in a race.

(24) Established weight--the racing weight for a greyhound established in accordance with the Rules.

(25) Exempt institutional investor--an investor who is:

(A) an insurance company as defined by the Securities Act of 1933, §2(13), a bank as defined by that Act, §3(a)(2), a savings and loan association or other institution referenced in that

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Act, §3(a)(5)(A), or a foreign bank or savings and loan association or equivalent institution;

(B) an investment company as defined by the Investment Company Act of 1940, §3(a), an issuer that would have been deemed an investment company under that Act except for the exclusion in that Act, §3(c)(1), or a business development company as defined by that Act, §2(c)(48);

(C) a small business investment company licensed by the United States Small Business Administration under the Small Business Investment Act of 1958, §301(c) ;

(D) a plan established and maintained by a state, its political subdivisions, or an agency or instrumentality of a state or its political subdivisions for the benefit of its employees;

(E) an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(F) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in subparagraph (D) or (E) of this definition, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(G) a business development company as defined by the Investment Advisers Act of 1940, §202(a)(22), or an investment adviser registered under that Act;

(H) an organization described in the Internal Revenue Code, §501(c)(3);

(I) a dealer registered under the Securities Exchange Act of 1934, §15;

(J) a legal entity with a market value of at least \$50 million whose securities are traded on a nationally recognized or foreign securities exchange or interdealer quotation system, such as NASDAQ; and

(K) a legal entity, acting for its own account or the account of other exempt institutional investors, that in the aggregate owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated with the entity, with the aggregate value

of the securities being the cost of the securities, except if the entity reports its securities holdings in its financial statements based on their market value and no current information regarding the cost of the securities has been published, in which case the securities may be valued at market.

(26) Exotic pool--a mutual pool that involves wagers on more than one entered horse or greyhound or on entries in more than one race.

(27) False start--failure of the starting gate or box doors to open simultaneously.

(28) Foul--an action by a horse or jockey that hinders or interferes with another horse or jockey during the running of a race.

(29) Greyhound race--a contest among greyhounds for purse, stakes, premium, or wager for money, run in the presence of the racetrack officials, including the following:

(A) Hurdle race--a race over a course in which jumps or hurdles are used.

(B) Match race--a race between two or more greyhounds, each the property of different owners, on terms agreed on by the owners and approved by the Commission.

(C) Overnight race--a race for which entries close 96 hours or less before the time set for the first race of the day on which the race is to be run.

(D) Purse race--a race for money or other prize to which the owners of the greyhounds engaged in the race do not contribute an entry.

(E) Race on the flat--a race over a course in which no jumps or other obstacles are placed.

(F) Stakes race--a race in which all money is to be deposited by the owners of the greyhounds engaged in the race, including a race of the day on which the stakes race is to be run.

(30) Groom--an individual employed by an owner or trainer of a racehorse to tend to the physical appearance of the horse and to perform chores in and around the stable.

(31) Growing medium--the substance immediately below the grass on a turf track.

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(32) Handle--the total amount of money wagered at a racetrack during a particular period.

(33) Horse--an equine of any breed, including a stallion, gelding, mare, colt, filly, or ridgling.

(34) Horse Race--a running contest between horses for entry fees, purse, prize, or other reward, including the following:

(A) Claiming race--a race in which a horse may be claimed in accordance with the Rules.

(B) Derby race--a race in which the first condition of eligibility is to be three years old.

(C) Futurity race--a race in which the first condition of eligibility is to be two years old.

(D) Guaranteed race--a race for which the association guarantees by its conditions a specified purse, which is the limit of its liability.

(E) Handicap race--a race in which the weights to be carried by the entered horses are adjusted by the racing secretary for the purpose of equalizing their respective chances of winning.

(F) Match race--a race between only two horses that are owned by different owners.

(G) Maturity race--a race in which the first condition of eligibility is to be four years of age or older.

(H) Optional claiming race--a claiming race in which there is an option to have horses entered to be claimed for a stated price or not eligible to be claimed.

(I) Progeny race--a race restricted to the offspring of a specific stallion or stallions.

(J) Purse or overnight race--a race for which owners of horses entered are not required by its conditions to contribute money toward its purse.

(K) Stakes race--a race to which nominators of the entries contribute to a purse.

(L) Starter race--an overnight race under allowance or handicap conditions, restricted to horses which have previously started for a designated claiming price or less, as stated in the conditions of the race.

(M) Walkover race--a stakes race in

which only one horse starts or all the starters are owned by the same interest.

(N) Weight for age race--a race in which weights are assigned in keeping with the scale of weights in these rules.

(35) In today horse--a horse that is in the body of a race program which is entered into a race on the next consecutive race day.

(36) Inactive license--a racetrack license designated by the commission as inactive.

(37) Kennel area--an area for the boarding or training of greyhounds.

(38) Lead out--an individual who handles a greyhound from the lockout kennel to the starting box.

(39) Locked in the gate--a horse or greyhound that is prevented from leaving the starting gate or box due to the failure of the front door of the gate or box to open simultaneously with the other doors.

(40) Lure--a mechanical apparatus at a greyhound racetrack consisting of a stationary rail installed around the track, a motorized mechanism that travels on the rail, and a pole that is attached to the mechanism and extends over the track, and to which a decoy is attached.

(41) Maiden--a horse or greyhound that has never won a race at a recognized race meeting authorized by the Commission or by another racing jurisdiction.

(42) Minus pool--a pool in which there are insufficient net proceeds to pay the minimum price to holders of the winning tickets.

(43) Mutuel field--a group of horses joined as a single betting interest in a race due to the limited numbering capacity of the totalisator.

(44) No race--a race that is canceled after being run due to a malfunction of the starting gate or box or any other applicable reason as determined by the Rules.

(45) Nominator--the person in whose name a horse or greyhound is entered for a race.

(46) Occupational licensee--an individual to whom the Commission has issued a license to

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participate in racing with pari-mutuel wagering.

(47) Odds--a number indicating the amount of profit per dollar wagered to be paid to holders of winning pari-mutuel tickets.

(48) Off time--the moment when, on signal from the starter, the horses or greyhounds break from the starting gate or box and run the race.

(49) Paddock--the area in which horses or greyhounds gather immediately before a race.

(50) Paper/Program Trainer--a licensed trainer who solely for the purposes of the official race program is identified as the trainer of a horse that is actually under the control of and trained by another person who may or may not hold a current trainer's license in any jurisdiction.

(51) Patron--an individual present on association grounds during a race meeting who is eligible to wager on the racing.

(52) Pecuniary interest--includes a beneficial ownership interest in an association, but does not include bona fide indebtedness or a debt instrument of an association.

(53) Performance--the schedule of horse or greyhound races run consecutively as one program. A greyhound performance consists of fifteen or fewer races unless approved by the executive secretary.

(54) Photofinish--the system of recording pictures or images of the finish of a race to assist in determining the order of finish.

(55) Place--to finish second in a race.

(56) Post position--the position assigned to a horse or greyhound in the starting gate or box.

(57) Post time--the time set for the arrival at the starting gate or boxes by the horses or greyhounds in a race.

(58) Purse--the cash portion of the prize for a race.

(59) Race date--a date on which an association is authorized by the Commission to conduct races.

(60) Race day--a day in which a numerical majority of scheduled races is conducted and is a part of the association's allocated race days.

(61) Race meeting--the specified period and dates each year during which an association is authorized to conduct racing and/or pari-mutuel wagering by approval of the Commission.

(62) Racetrack facility--the buildings, structures and fixtures located on association grounds used by an association to conduct horse or greyhound racing.

(63) Racetrack official--an individual appointed by the commission to officiate at a race meeting.

(64) Racing judge--the executive racing official at a greyhound track.

(65) Reasonable belief--a belief that would be held by an ordinary and prudent person in the same circumstances as the actor.

(66) Recognized race meeting--a race meeting held under the sanction of a turf authority.

(67) Refunded ticket--a pari-mutuel ticket that has been refunded for the value of a wager that is no longer valid.

(68) Rule off--to bar an individual from the enclosure of an association and to deny all racing privileges to the individual.

(69) Rules--the rules adopted by the Texas Racing Commission found in Title 16, Part VIII of the Texas Administrative Code.

(70) Schooling race--a practice race conducted under actual racing conditions but for which wagering is not permitted.

(71) Scratch--to withdraw an entered horse or greyhound from a race after the closing of entries.

(72) Scratch time--the closing time set by an association for written requests to withdraw from a race.

(73) Show--to finish third in a race.

(74) Specimen--a bodily substance, such as blood, urine, or saliva, taken for analysis from a horse, greyhound, or individual in a manner prescribed by the Commission.

(75) Stakes payments--the fees paid by subscribers in the form of nomination, entry, or starting fees to be eligible to participate.

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(76) Stallion owner--a person who is owner of record, at the time of conception, of the stallion that sired the accredited Texas-bred horse.

(77) Starter--a horse or greyhound entered in a race when the doors of the starting gate or box open in front of the horse or greyhound at the time the official starter dispatches the horses or greyhounds.

(78) Straight pool--a mutuel pool that involves wagers on a horse or greyhound to win, place, or show.

(79) Subscription--money paid to nominate, enter, or start a horse or greyhound in a stakes race.

(80) Tack room--a room in the stable area of a horse racetrack in which equipment for training and racing the horses is stored.

(81) Totalisator--a machine or system for registering and computing the wagering and payoffs in pari-mutuel wagering.

(82) Tote board--a facility at a racetrack that is easily visible to the public on which odds, payoffs, advertising, or other pertinent information is posted.

(83) Tote room--the room in which the totalisator equipment is maintained.

(84) Tout--an individual licensed to furnish selections on a race in return for a set fee.

(85) Trial--a race designed primarily to determine qualifiers for finals of a stakes race.

(86) Uplink--an earth station broadcasting facility, whether mobile or fixed, which is used to transmit audio-visual signals and/or data emanating from a sending racetrack, and includes the electronic transfer of received signals from the receiving antenna to TV monitors within the receiving location.

(87) Weigh in--the process by which a jockey is weighed after a race or by which a greyhound is weighed before being placed in the lockout kennel.

(88) Weighing in weight--the weight of a greyhound on weighing in to the lockout kennel.

(89) Weigh out--the process by which a

jockey or greyhound is weighed before a race.

(90) Weighing out weight--the weight of a greyhound on weighing out of the lockout kennel immediately before post time for the race in which the greyhound is entered.

(91) Win--to finish first in a race.

(92) Winner:

(A) for horse racing, the horse whose nose reaches the finish line first, while carrying the weight of the jockey or is placed first through disqualification by the stewards; and

(B) for greyhound racing, the greyhound whose muzzle, or if the muzzle is lost or hanging, whose nose reaches the finish line first or is placed first through disqualification by the judges.

(Added eff. 11/15/88; amended eff. 6/1/01; (b) amended eff. 11/6/02; (b) amended eff. 7/16/07; (b) amended eff. 12/8/11; (b) amended eff. 9/28/14); (b) amended eff. 3/13/16; (b) amended eff. 3/8/17)

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decision on the proposal for decision. A final order must include findings of facts and conclusions of law, separately stated.

(b) A final order of the Commission must be signed by a majority of the members of the Commission who voted in favor of issuing the order.

(c) The executive secretary shall serve a copy of the final order on each party or the party's representative and each non-party participant.

(d) A final order of the Commission takes effect on the date the order is issued, unless otherwise stated in the order. (Added eff. 1/1/02)

### **Sec. 307.38. Rehearing.**

(a) Government Code, §2001.146, pertaining to rehearing after Commission action, is hereby incorporated by reference.

(b) An order granting a motion for rehearing vacates the preceding final order. The order granting a motion for rehearing may direct that the hearing be reopened or may incorporate a new final decision. If the Commission renders a new decision, a motion for rehearing directed to the new decision is a prerequisite to appeal. (Added eff. 1/1/02)

### **Sec. 307.39. Judicial Review.**

In accordance with Government Code, §2001.171, a person who is aggrieved by an order of the Commission in a contested case proceeding and who has exhausted all administrative remedies is entitled to judicial review. (Added eff. 1/1/02)

## **Subchapter C. Proceedings by Stewards and Racing Judges**

### **Sec. 307.61. General Authority.**

(a) In addition to the authority granted the stewards and racing judges in Chapter 313 (relating to Officials and Rules of Horse Racing) and Chapter 315 (relating to Officials and Rules of Greyhound Racing) of this title, the stewards and racing judges may:

(1) conduct an inquiry regarding an alleged violation of the Act or a Rule or regarding a complaint, objection, or protest made by a licensee;

(2) charge a licensee with a violation of a Rule;

(3) conduct disciplinary hearings; and

(4) impose fines and suspend occupational licenses as provided by this subchapter.

(b) Regardless of whether the stewards or racing judges act on a violation of the Act or a Rule, the stewards and racing judges may refer the matter to the Commission for consideration and action.

(c) The laws of this state and the Rules supersede the conditions of a race and the rules of an association. In matters pertaining to racing, the rulings and decisions of the stewards and racing judges supersede the rulings and orders of the association officers. (Added eff. 1/1/02)

### **Sec. 307.62. Disciplinary Hearings.**

(a) Authority to Conduct. On their own motion or on receipt of a complaint regarding the actions of an occupational licensee, the stewards and racing judges may conduct a disciplinary hearing regarding the licensee's actions.

(b) Notice of Hearing. Except as otherwise provided by the Rules, the stewards and racing judges shall provide written notice to a person who is the subject of a disciplinary hearing at least 10 calendar days before the hearing. Notice given under this subsection must state the nature of the charges against the person and the possible penalties that may be imposed. The stewards and racing judges or their designee may hand deliver the written notice of the disciplinary hearing to the licensee who is the subject of the hearing. Alternatively, the stewards and racing judges may provide the notice by sending it by both certified mail, return receipt requested, and regular mail to the licensee's last known address as found in the Racing Commission's licensing records. The stewards and racing judges may

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also send the notice by electronic mail provided that the Commission verifies receipt by the licensee. The person may waive his or her right to 10 days notice. Nonappearance of a licensee to whom notice has been provided under this subsection shall be deemed a waiver of the right to a hearing before the stewards or racing judges.

(c) Rights of the Licensee. At a disciplinary hearing conducted by the stewards or racing judges, the person who is the subject of the disciplinary hearing has the following rights, all of which the person may waive:

- (1) the right to counsel;
- (2) the right to present a defense;
- (3) the right to make an opening and closing statement;
- (4) the right to call witnesses; and
- (5) the right to cross-examine witnesses testifying against the person.

(d) Evidence.

(1) Each witness at a disciplinary hearing conducted by the stewards or racing judges must be sworn by the presiding steward or racing judge.

(2) To facilitate participation by licensees, the stewards and racing judges may permit witnesses to testify at a disciplinary hearing via telephone if the stewards or racing judges make reasonable assurances that the person testifying is who he or she purports to be.

(3) The stewards and racing judges shall make a record of a disciplinary hearing.

(4) The stewards and racing judges shall allow a full presentation of evidence and are not bound by the technical rules of evidence. However, the stewards and racing judges may disallow evidence that is irrelevant or unduly repetitive of other evidence. The stewards shall have the authority to determine, in their sole discretion, the weight and credibility of any evidence and/or testimony. The stewards and racing judges may admit hearsay evidence if the stewards and racing judges determine the evidence is of a type that is commonly relied on by reasonably prudent people. The rules of

privilege recognized by state law apply in hearings before the stewards and racing judges. Hearsay evidence that is not otherwise admissible under the exceptions of the Texas Rules of Evidence is an insufficient basis alone for a ruling.

(e) Burden of Proof. The burden of proof is on the person bringing the complaint to show, by a preponderance of the evidence, that the licensee has violated or is responsible for a violation of the Act or a Commission rule.

(f) Continuances.

(1) Upon receipt of a notice, a person may request a continuance of the hearing.

(2) For good cause shown, the stewards or racing judges may grant a continuance of any hearing for a reasonable period of time.

(3) The stewards or racing judges may at any time order a continuance on their own motion.

(g) Agreed Settlement. The person who is the subject of the disciplinary hearing may waive the right to a hearing and subsequent appeal and enter into an agreed settlement with the stewards or racing judges.

(h) Failure to Appear. The stewards or racing judges may suspend the license of a person who fails to appear at a disciplinary hearing after receiving written notice of the hearing until the matter is adjudicated.

(i) Summary Suspension. If the stewards or racing judges determine that a licensee's actions constitute an immediate danger to the public health, safety, or welfare, the stewards or racing judges may enter a ruling summarily suspending the license, without a prior hearing. A summary suspension takes effect immediately on issuance of the ruling. If the stewards or racing judges suspend a license under this subsection, the licensee is entitled to a hearing on the suspension not later than seven calendar days after the day the license is suspended. The licensee may waive his or her right to a hearing on the summary suspension within the seven-day period.

(j) Discovery.

(1) Prior to a disciplinary hearing,

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upon written request served on the opposing party, a party shall be entitled, subject to the limitations in §2.15 of the Act, to:

(a) the name and address of any witness who may be reasonably expected to testify on behalf of the opposing party, together with a brief summary of the subject matter of each witness's anticipated testimony; and

(b) copies of all documents or other materials in the possession or control of the opposing party that the opposing party reasonably expects to introduce into evidence in either its case-in-chief or in rebuttal. Rebuttal documents, to the extent that they are not immediately identifiable, shall be tendered to the opposing party forthwith upon identification.

(2) A party may obtain discovery only by making a written request for the production of witness lists, documents, and other materials, as provided in paragraph (1) of this subsection.

(3) The stewards and racing judges may exclude from a disciplinary hearing any witnesses, documents, and other materials that were not properly disclosed in accordance with this subsection unless good cause is shown for the failure to disclose them.

(4) Discovery requests under this section shall not be cause for postponement or delay of a disciplinary hearing or of the disposition of the proceedings.

(Added eff. 1/1/02; (d)-(i) amended eff 3/28/11; (i) amended eff. 5/8/16); (b) amended, (j) added eff. 3/8/17)

### **Sec. 307.63. Ruling.**

(a) The issues at a disciplinary hearing shall be decided by a majority vote of the stewards or racing judges. If the vote is not unanimous, the dissenting steward or judge shall include with the record of the hearing a written statement of the reasons for the dissent and sign the statement.

(b) A ruling by the stewards or racing judges must be on a form prescribed by the executive secretary and include:

(1) the full name, license type, and license

number of the person who is the subject of the hearing;

(2) a statement of the allegations against the person, including a reference to

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(B) pay any compensation regarding those horses to the suspended, revoked or ineligible trainer;

(C) solicit or accept a loan of anything of value from the suspended, revoked or ineligible trainer; or

(D) use the farm or individual name of the suspended, revoked or ineligible trainer when billing customers.

(3) A person who assumes the care, custody, or control of the horses of a suspended, revoked or ineligible trainer is directly responsible for all financial matters relating to the care, custody, or control of the horses.

(4) On request by the Commission, a suspended, revoked or ineligible trainer or a person who assumes the care, custody, or control of the horses of a suspended, revoked or ineligible trainer shall permit the Commission to examine all financial or business records to ensure compliance with this section.

(j) Reporting to Clocker. When taking a horse onto a racetrack to work, a horse trainer or an assistant of the trainer shall report the horse's name and the distance to be worked to the morning clocker or an assistant clocker or shall instruct the jockey or exercise rider to transmit the information to the clocker or assistant clocker.

(k) Other Responsibilities - A trainer is responsible for:

(1) the condition and contents of stalls/kennels, tack rooms, feed rooms, and other areas which have been assigned by the association;

(2) maintaining the assigned stable/kennel area in a clean, neat and sanitary condition at all times;

(3) ensuring that fire prevention rules are strictly observed in the assigned stable/kennel area;

(4) training all animals owned wholly or in part by the trainer that are participating at the race meeting;

(5) ensuring that, at the time of arrival at a licensed racetrack, each animal in the trainer's care is accompanied by a valid health certificate/certificate of veterinary inspection;

(6) using the services of those veterinarians licensed by the Commission to attend animals that are on association grounds;

(7) promptly notifying the official veterinarian of any reportable disease and any unusual incidence of a communicable illness in any animal in the trainer's charge;

(8) immediately reporting to the stewards/judges and the official veterinarian if the trainer knows, or has cause to believe, that a animal in the trainer's custody, care or control has received any prohibited drugs or medication;

(9) maintaining a knowledge of the medication record and status of all animals in the trainer's care;

(10) ensuring the fitness of an animal to perform creditably at the distance entered;

(11) ensuring that the trainer's horse is properly shod, bandaged and equipped; and

(12) reporting the correct sex of the horses in his/her care to the Commission veterinarian and the horse identifier.

(l) No licensee shall act as a program trainer, nor shall any owner name a program trainer on the entry form. Any licensee found to be acting as a program trainer and any owner who listed a program trainer is responsible for all violations occurring from participation of any horse or greyhound entered or raced by the licensee. Further, the Commission recognizes that identification of the correct trainer in the program is an important handicapping tool used by the wagering public. Therefore, the Commission identifies the practices of utilizing a program trainer and of acting as a program trainer as being inconsistent with maintaining the honesty and integrity of racing under §307.7 (relating to Ejection and Exclusion) and as a detrimental practice under §311.6 (relating to Denial, Suspension and Revocation of Licenses.) (Added eff. 10/21/99; (a) amended 1/1/03; (c),(f) amended eff. 1/8/04; (a) amended 3/20/08; (k) added eff. 3/20/08; amended eff. 7/14/09; (a) amended eff. 1/5/10; (k) amended eff. 3/6/12; (f) amended eff. 5/30/13; (a) amended eff. 11/2/15; (l) added eff. 3/8/17)

### Sec. 311.105. Jockeys.

(a) License

## OTHER LICENSES

(1) To be licensed as a jockey or apprentice jockey, an individual must be at least 16 years of age and provide proof of a satisfactory physical examination as described in subsection (b) of this section.

(2) An individual licensed as a jockey or apprentice jockey may not be licensed in another capacity.

(3) To be licensed as a jockey or apprentice jockey, an individual must have a certificate of proficiency issued by a starter licensed in this state or be currently licensed in another state as a jockey or apprentice jockey.

### (b) Physical Examination.

(1) To be eligible to ride in a race, a jockey or apprentice jockey must have on file with the Commission proof of a satisfactory physical examination conducted during the 12-month period preceding the date of the race.

(2) An examination required by this section must be performed by a licensed physician and include tests for visual acuity and hearing.

(3) The Commission or the stewards may require a jockey or apprentice jockey to be reexamined at any time and may refuse to permit a jockey or apprentice jockey to ride until proof of a satisfactory examination is submitted.

### (c) Apprentice Jockeys.

(1) An apprentice jockey is a rider of thoroughbreds who:

(A) is permitted to ride with the apprentice weight allowance in accordance with Chapter 313 of this title (relating to Officials and Rules of Horse Racing); and

(B) is otherwise qualified to be licensed as a jockey.

(2) The Rules relating to a jockey apply to apprentice jockeys.

### (d) Jockey Conduct.

(1) A jockey may not ride under an assumed name.

(2) A jockey may not use an attendant on a race day other than one supplied by the association.

(3) A jockey may not smoke in public while wearing racing colors. (Added eff. 10/21/99)

### Sec. 311.106. Veterinarians.

To be eligible to be licensed by the Commission and hold a license as a veterinarian, an individual must be currently licensed and in good standing with the Texas State Board of Veterinary Medical Examiners. (Added eff. 10/21/99; amended eff. 11/8/04; (a), (b), (c) amended eff. 3/20/08)

### Sec. 311.107. Lessee/Lessor.

(a) A race animal may be raced under lease provided a completed lease form is attached to the registration certificate and is on file with the racing secretary.

(b) The lessee and lessor of a horse or greyhound for racing purposes must obtain an owner's license in accordance with §311.101(a) of this title (relating to Horse Owners) and §311.102(a) of this title (relating to Greyhound Owners). (Added eff. 10/21/99; (a) amended eff. 1/8/04)

### Sec. 311.108. Authorized Agent.

(a) To be appointed an authorized agent, an individual must be at least 18 years old and licensed as an individual owner, stable foreman, assistant trainer, or a trainer. A written agency appointment authorizing him or her to act on behalf of a licensed owner or licensed trainer in racing matters not directly related to the care and training of horses must accompany the appointment. The authorization shall be on a form provided by the Commission and shall define the agent's powers and limits. The authorization must be signed by the principals and the agent.

(b) A separate agency appointment is required for each principal an authorized agent intends to represent.

(c) An agency appointment expires on the last day of the twelfth month after the date of appointment or when the principal submits written notice of revocation to the stewards or racing judges, whichever occurs first. (Added eff. 10/21/99; (a),(b) amended eff. 1/8/04; (a) amended eff. 3/20/08)

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### **Sec. 311.109. Mutuel Employees.**

To be licensed as a mutuel clerk or other employee of the mutuel department of an association, an individual must be at least 16 years old. (Added eff. 10/21/99)

### **Sec. 311.110. Leadout.**

(a) To be licensed as a leadout, an individual must demonstrate to the satisfaction of the Commission veterinarian that the individual is knowledgeable in the handling and/or care of greyhounds.

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## CHAPTER 321. PARI-MUTUEL WAGERING

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## CHAPTER 321. PARI-MUTUEL WAGERING

### Subchapter A. Mutuel Operations

#### Division 1. General Provisions

##### Sec. 321.1. Definitions and General Provisions.

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

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

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

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

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

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

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

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

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

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

operation.

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

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

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

(13) Player Tracking System--a system that provides detailed information about pari-mutuel play activity of patrons who volunteer to participate. The system can be used to customize highly specific promotions and tailor rewards to encourage incremental visits by patrons. The system should be able to produce customized informational reports based on such parameters as type of wager, type of race, favorite race meet, or other parameters deemed helpful by the association in supporting the patron.

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

(15) Report--a summary of betting activity.

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

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

(18) TIM--ticket-issuing machine.

(19) TIM-to-Tote network--a wagering network consisting of a single central processing unit and the TIMs at any number of remote sites.

(20) Totalisator system--a computer system that registers and computes the wagering and

## PARI-MUTUEL WAGERING

payoffs in pari-mutuel wagering.

(21) Totalisator operator--the individual assigned to operate the totalisator system at a racetrack facility.

(22) Tote-to-tote network--a wagering network in which each wagering location has a central processing unit.

(23) User--a totalisator company employee authorized to use the totalisator system in the normal course of business.

(b) A reference in this chapter to the mutuel manager includes the mutuel manager's designee, in accordance with §313.53 of this title (relating to Mutuel Manager) or §315.36 of this title (relating to Mutuel Manager.)

(c) A request required to be made in writing under this chapter may be transmitted via hand delivery, e-mail, facsimile, courier service, or U.S. mail. (Added eff. 4/1/01; (a) amended eff 10/4/05; (a) amended eff. 10/23/11)

### **Sec. 321.2. Odds Manipulation.**

The Commission recognizes that the wagering public uses Odds and Will Pays as a handicapping tool. To maintain the integrity of the pools, the Commission therefore identifies the practice of canceling wagers that were placed for the sole purpose of manipulating the posted Odds or Will Pays as being inconsistent with the honesty and integrity of racing under §307.7, Ejection and Exclusion, and as a detrimental practice under §311.6, Denial, Suspension, and Revocation of Licenses. (Added eff. 8/05/07; amended eff. 3/8/17)

### **Sec. 321.3. Conduct of Wagering.**

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

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

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

(2) is approved by the Commission.

(c) An association shall apply in writing to

the executive secretary for approval to offer the types of wagers the association wishes to offer. An association may offer only the types of wagers the Commission approves for that association.

(d) The stewards or racing judges may cancel a pari-mutuel pool offered by the association for a race if the stewards or racing judges have concerns about the integrity of the pool or the race. (Added eff. 4/1/01; (b) amended eff. 10/4/05)

### **Sec. 321.5. Pari-mutuel Auditor.**

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

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

(1) horse purses;

(2) greyhound purses;

(3) the State;

(4) the Texas Bred Incentive Programs;

(5) the association; and

(6) the winning wagerers.

(c) The pari-mutuel auditor shall also assist the executive secretary, the stewards or racing judges, and the Comptroller in investigating alleged violations of the Act, the Rules, or the Comptroller's rules relating to the totalisator system and pari-mutuel operations. (Added eff. 4/1/01; (b) amended eff. 9/28/14, (b) amended eff. 3/13/16)

### **Sec. 321.7. Cooperation with Officials.**

If the executive secretary or the Comptroller or any employee of the executive secretary or Comptroller determines a certain cashed or canceled ticket, cashed or canceled voucher, computer printout, mutuel report, or other totalisator or mutuel record is needed to perform the official's regulatory duties, the official shall request the item from the mutuel manager. On receipt of a request under this section, the mutuel manager shall make the information available to the official no later than the deadline established

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by the official. (Added eff. 4/1/01)

### **Sec. 321.9. System Failure.**

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

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

(c) The stewards or racing judges, after consulting with the association and after considering the amount of purses and wagers involved and the time required to repair the totalisator system, may permit any of the remaining races in the performance to be run as exhibitions without wagering. If a race is run as an exhibition under this subsection, the association shall pay the purses in accordance with the Rules. (Added eff. 4/1/01)

### **Sec. 321.11. Access to Removable Electronic Media.**

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

- (1) Sufficient space for the totalisator vendor to store all removable electronic media; and
- (2) A storage cabinet that will protect the

media from damage.

(b) An association shall include in its security plans a means by which access to the removable electronic media is restricted. (Added eff. 4/1/01; amended eff. 3/8/17)

### **Sec. 321.12. Time Synchronization.**

(a) Display and verification of the accurate off time and start of a race is critical. To ensure accurate verification of off time with the close of betting on all races, the association shall ensure:

- (1) Tote times shall be synchronized to an atomic clock on a start-of-day basis.
- (2) Source video signal shall be synchronized with the atomic clock.
- (3) The time of day shall be displayed at the start of the race in the HR:MN:SC format.

(b) Security system video, which monitors mutuel lines, shall be synchronized with the atomic clock. (Added eff. 3/28/11; (a) amended eff. 9/28/14), (a) amended eff. 3/13/16)

### **Sec. 321.13. Pari-mutuel Track Report.**

(a) Daily Pari-Mutuel Summary Report.

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

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

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

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

- (A) net handle at:
  - (i) the association's racetrack facility; and
  - (ii) the outlets wagering on the association's live performance;
- (B) payouts to the wagering public;
- (C) breakage;
- (D) settlements to the host racetrack or guest racetrack;

## PARI-MUTUEL WAGERING

(E) all purses earned, broken out by source, such as live, simulcast, cross species, and export;

(F) Texas Bred Incentive Program revenue;

(G) state tax; and

(H) association revenue.

(b) Monthly Pari-Mutuel Recap Report.

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

(2) The association shall file with the executive secretary a recap of pari-mutuel activity on the prescribed form. The monthly recap of pari-mutuel activity must be filed no later than the 30th day after the last day of the month for which the report is being filed. (Added eff. 4/1/01; (a) amended eff. 10/4/05; (a) amended eff. 9/28/14); (a) amended eff. 3/13/16)

### **Sec. 321.15. License to Provide Totalisator Services.**

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

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

(2) a list of all totalisator personnel assigned to work in Texas, or on behalf of an association operating in Texas, as described in Subchapter B of this chapter (relating to Totalisator Requirements and Operating Environment);

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

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

(b) A contract between the totalisator company and an association must be submitted to the Commission for approval before the contract's effective date. (Added eff. 4/1/01; (a) amended eff. 3/28/11; (a) amended eff. 1/10/13)

### **Sec. 321.17. Activities by Minors Restricted.**

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

(b) An association may not accept a wager from an individual who has not attained the minimum age required to purchase alcoholic beverages in this state. (Added eff. 4/1/01)

### **Sec. 321.19. Wagers by Employees of Commission.**

A member or employee of the Commission may not place a wager or cause a wager to be placed on a race conducted or offered for wagering in this state. (Added eff. 4/1/01)

### **Sec. 321.21. Certain Wagers Prohibited.**

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

(b) An association may not accept a wager made on credit. (Added eff. 4/1/01; (a) amended eff. 10/4/05)

## **Division 2. Wagering Information and Results**

### **Sec. 321.23. Wagering Explanations.**

(a) An association shall include the following information in the official live programs and simulcast programs and post in places easily viewed by patrons and licensees on association grounds:

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

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

(3) the expiration date of mutuel tickets and vouchers.

(b) Wagering explanations must be reviewed and approved by the executive secretary before publication. (Added eff. 4/1/01; (a) amended eff. 3/28/11; (b), (c) amended eff. 9/28/14); (b), (c) amended eff. 3/13/16)

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(ii) whether or not the ticket or voucher has been previously cashed, and date the ticket or voucher was cashed; and

(iii) why the association refused to pay the claimant.

(3) If a claim for payment is received by the executive secretary under paragraph (2) of this subsection, then the executive secretary shall investigate the claim and may:

(A) order the association to pay the claim;

(B) deny the claim; or

(C) enter any other order the executive secretary determines appropriate.

(c) An association shall be responsible for maintaining records and logs to validate claims for payments in this section. Records and logs must be maintained for 365 days. (Added eff. 4/1/01; (a) amended eff. 10/4/05; amended eff. 10/23/11; amended eff. 3/8/17)

### **Sec. 321.36. Unclaimed Outs and Vouchers.**

Pursuant to the Act, §3.07, to pay the charges associated with the medication or drug testing, an association may use the money held by the association to pay outstanding tickets and pari-mutuel vouchers. If additional amounts are needed to pay the charges, the association shall pay those additional amounts. If the amount of outstanding tickets and pari-mutuel vouchers held exceeds the amount needed to pay the charges, the association may retain the excess amount as outstanding tickets and pari-mutuel vouchers expire. (Added eff. 7/16/08; amended eff. 12/8/11)

### **Sec. 321.37. Cashed Tickets and Vouchers.**

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

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

(c) The association shall prohibit individuals other than the association's mutuel manager from having access to the cashed tickets and vouchers

or to storage areas for outstanding ticket records and outstanding voucher records. (Added eff. 4/1/01; (a), (c) amended eff. 7/16/08)

### **Sec. 321.39. Altering Cashed Tickets and Cashed Vouchers.**

An association shall ensure that each cashed or refunded mutuel ticket and cashed voucher is altered in a manner that indicates the mutuel ticket or voucher has been cashed or refunded, but does not destroy the identity of the ticket or voucher. (Added eff. 4/1/01)

### **Sec. 321.41. Cashing Outstanding Tickets.**

(a) For purposes of this section, an outstanding ticket is one that was purchased for a race held at least 21 days before the date the ticket is presented for payment.

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

(c) The association may not permit an outstanding ticket to be cashed at a ticket window other than a designated window. (Added eff. 4/1/01; (a) amended eff. 7/16/08; (e) amended eff. 10/23/11; amended eff. 3/8/17)

### **Sec. 321.42. Cashing Outstanding Vouchers.**

(a) For purposes of this section, an outstanding voucher is one that was issued at least 21 days before the date the voucher is presented for payment.

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

(c) The association may not permit an outstanding voucher to be cashed at a mutuel window other than a designated window. (Added eff. 7/16/08; (e) amended eff. 10/23/11; amended eff. 3/8/17)

## PARI-MUTUEL WAGERING

### Sec. 321.43. Cancellation of Win Wagers.

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

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

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

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

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

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

(e) The cancellation of wagers on self-serve wagering machines shall not be permitted except in accordance with the written policies established by the association and approved by the executive secretary.

(f) The mutuel manager shall be responsible for controlling all canceled wagers and ensuring that the association complies with the rules of this section. (Added eff. 4/1/01; (e), (f) added eff. 8/5/07)

### Sec. 321.45. Teller's Records.

Each pari-mutuel teller for an association shall retain and account for all mutuel tickets or vouchers cashed, refunded or canceled by the teller. (Added eff. 4/1/01)

### Sec. 321.46. Payment on No Ticket Issue.

When a ticket issuing machine does not

produce a paper ticket due to a mechanical failure, the mutuel manager may validate the wager through totalisator logs. If the transaction is a

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