

CHAPTER 7871
MINNESOTA RACING COMMISSION
TELEVISED RACING DAYS

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7871.0010 APPLICATION FOR PARI-MUTUEL POOLS.

Subpart 1. **Submission of pari-mutuel requests.** A class B licensee may apply for approval of pari-mutuel pools including rules governing calculation of payoffs, disposition of unclaimed tickets, pools offered based on the number of entries, prevention and failure to start, and scratches in effect at the host racetrack by submitting an original and 15 copies of the following:

- A. a signed request for approval of pari-mutuel pools;
- B. a copy of the administrative rules for pari-mutuel pools in the states in which the host racetracks are located;
- C. a detailed statement of how the request meets each of the criteria in part 7871.0020, subpart 2; and
- D. any other documentation the commission considers necessary to ensure a complete understanding of the request.

Subp. 2. **Disposition of requests.** The commission must act on a request for approval of pari-mutuel pools under the following procedures:

A. Upon receipt of an application, the commission shall send written notice of the application to all other Class B licensees. The notice must include a brief description of the request, a statement that all licensees wishing to comment may do so in writing within seven days after issuance of the notice, the time and place of any public hearing on the application, and the earliest and latest date on which the commission may act.

B. If, after an application is filed, the commission determines that additional information from the applicant is necessary to fully consider the request, the commission shall direct the applicant to submit the additional data.

C. If the commission further determines it is necessary to fully understand an application, the commission shall request the applicant or a licensee submitting comments to appear before the commission. The commission shall request the appearance in writing at least five days in advance.

D. If an applicant fails to comply with subpart 1 and this subpart, the commission shall deny the request.

E. The commission shall approve, deny, or give its qualified approval to an application for pari-mutuel pools not sooner than ten nor later than 45 days after filing of the application.

F. Within 30 days after action on an application, the commission shall submit in writing to the applicant and licensees who submitted written comments the reasons for its action.

Subp. 3. **Motion of commission.** The commission on its own motion may designate pari-mutuel pools as provided in Minnesota Statutes, section 240.13, subdivision 3, except that the commission shall perform the duties imposed on an applicant by subpart 1.

Subp. 4. **Submission of contracts.** A copy of the fully executed contracts between the licensee and the host racetracks must be submitted prior to the commencement of televised racing days from the respective host racetracks.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419; 15 SR 2307; 18 SR 886; 19 SR 2307*

7871.0020 APPROVAL OF PARI-MUTUEL POOLS ON TELEVISED RACING DAYS.

Subpart 1. **Request.** Upon written request of a Class B licensee, or on its own motion, the commission may approve pari-mutuel pools for televised racing days, including types of betting, number and placement of multiple pools in racing programs offered at the host racetracks, and other issues related to pari-mutuel pools which promote the purposes of Minnesota Statutes, chapter 240, and the rules of the commission.

Subp. 2. **Basis for approving pari-mutuel pools.** When considering a request for approval of pari-mutuel pools for televised racing days, the commission must consider the success and integrity of racing; the public health, safety, and welfare; public interest, necessity, and convenience; as well as the following factors:

A. the types of betting and number and placement of multiple pools in the racing program at the host racetracks;

B. the integrity of the licensee and the host racetrack;

C. the financial strength of the licensee and the host racetrack;

D. the ability of the licensee and the host racetrack to operate a racetrack and conduct horse racing, including licensee's facilities, systems, policymakers, managers, and personnel;

E. past compliance of the licensee and the host racetrack with all laws, rules, and orders regarding pari-mutuel horse racing;

F. the licensee's market, including area, population, and demographics;

G. the performance of the licensee and host racetrack with previously approved pari-mutuel pools;

H. the impact approving the pari-mutuel pool will have on the economic viability of the racetrack, including attendance and pari-mutuel handle;

I. the quantity and quality of economic activity and employment generated;

J. state tax revenues from racing and related economic activity;

K. the entertainment and recreation opportunities for Minnesota citizens;

L. the variety of racing;

M. the quality of racing;

N. the availability and quality of horses;

O. the development of horse racing;

P. the quality of racetrack facilities;

Q. security;

R. purses;

S. benefits to Minnesota breeders and horse owners;

T. competition among racetracks and with other providers of entertainment and recreation as well as its effects;

U. the social effects;

V. community and government support;

W. sentiment of horsepersons; and

X. any other factors related to pari-mutuel pools which the commission considers crucial to its decision-making as long as the same factors are considered with regard to all requests.

Subp. 3. **Director of pari-mutuel racing.** The director of pari-mutuel racing may approve variations and changes in pari-mutuel pools and placement of pools in the racing program if requested by the licensee and if all changes meet the criteria contained in subpart 2.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419; 18 SR 886*

7871.0030 PARI-MUTUEL BETTING.

Subpart 1. **Minimum return.** On a televised racing day approved by the commission, the minimum return on each winning wager shall be that amount which is in effect at the host track. The share of liability for insufficient money in the net pool may be as agreed to by the licensee and the host racetrack.

Subp. 2. **Commingling of funds.** With the prior approval of the commission, the licensee may commingle the amounts bet at the licensed racetrack on a televised racing day with the pari-mutuel pools at the host racetrack. If the pari-mutuel pools are commingled, the wagering at the licensed racetrack must be on tabulating equipment capable of issuing pari-mutuel tickets and be electronically linked with the equipment at the host racetrack.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0040 "OFFICIAL" SIGN.

Any ruling of the stewards at the host racetrack with regard to the award of purse money made after the "official" sign has been posted shall have no bearing on the mutuel payoff.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0050 LOST TICKETS.

No claims for lost pari-mutuel tickets shall be considered.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0060 ALTERED OR MUTILATED TICKETS.

A mutilated or altered pari-mutuel ticket that is not easily identifiable as being a valid ticket shall not be accepted for payment.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0070 INFORMATION WINDOW.

Each association shall provide at least one information or complaint window where complaints may be made by members of the public. A current set of all Minnesota commission rules and all administrative rules of the state in which the host racetrack is located regarding pari-mutuel wagering shall be available for public inspection during racing hours at every such window.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0080 TIP SHEETS.

Subpart 1. **Number of tip sheets.** Should the licensee elect to allow the availability of tip sheets, not less than two independently handicapped tip sheets shall be available at a racetrack. Each handicapper must sign and deliver the sheet at least one hour before post time for the first race to the presiding official at the licensee's racetrack.

Subp. 2. **Previous day's sheet to be posted.** The previous race day's tip sheets and their outcome must be displayed in a conspicuous place within the grandstand area of the racetrack for inspection by patrons.

Subp. 3. **Tip sheet vendors must be licensed.** All persons holding a tip sheet concession at the racetrack must be approved and licensed as a vendor by the commission.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0090 SIMULCAST WAGERING ON A TELEVISED RACING DAY.

Subpart 1. **Request.** Upon written request of a Class B licensee, the commission shall approve wagering on races televised to Minnesota from another licensed racing jurisdiction

during a televised racing day. A signed reciprocal agreement among the racetrack originating (hosting) the broadcast, the association representing the horsepersons at the host track, the Minnesota racetrack receiving the broadcast, and the association representing the horsepersons at the Minnesota racetrack receiving the broadcast must be filed with the commission prior to the broadcast.

Subp. 2. **Approval.** All approved simulcast races must be conducted at the licensed racetrack on a televised racing day assigned to an association by the commission.

Subp. 3. **Taxes imposed.** There is imposed a tax at the rate of six percent of the total amount withheld from all pari-mutuel pools including breakage on the amounts wagered at the licensee's racetrack.

Subp. 4. **Compliance with laws.** In addition to all state laws and applicable rules of the commission, simulcast wagering on televised racing days must be in compliance with United States Code, title 15, section 3001, et seq.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419; 18 SR 886*

7871.0100 [Repealed, 18 SR 886]

7871.0110 DISTRIBUTION OF PURSE MONEY.

Subpart 1. **Purse amounts.** Pursuant to Minnesota Statutes, section 240.13, subdivision 5, the amounts required to be withheld from all pari-mutuel pools must be allocated for purses by an association conducting televised horse racing.

Subp. 2. **Escrow accounts.** All money withheld for purses by an association pursuant to subpart 1 must be placed in interest-bearing escrow accounts and set aside for purse money in the next racing meeting for the breed involved, except that money may be first applied to any purse overpayment from the previous live race meet as agreed to between the association and the horsepersons' organization representing the breed involved.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419; 19 SR 2307*

7871.0120 APPOINTMENT OF PRESIDING OFFICIAL.

Subpart 1. **Requirement.** All races on which pari-mutuel betting is conducted on televised racing days must be presided over by an official of the commission appointed by the director of pari-mutuel racing.

Subp. 2. **Communication with stewards.** A Class B licensee conducting approved televised racing days must provide the presiding official with telephone communication with the stewards at the host racetrack throughout the racing program each day.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419; 18 SR 886*

7871.0130 AUTHORITY AND DUTIES OF PRESIDING OFFICIAL.

Subpart 1. **Authority.** The presiding official shall exercise immediate supervision, control, and regulation of racing on each televised racing day on behalf of the commission and shall be responsible only to the commission. The powers of the presiding official include:

A. the authority over all persons, licensed or unlicensed, on association grounds during a televised racing day regarding all matters relating to racing;

B. the authority to suspend, according to applicable law, a Class C licensee;

C. the authority to eject or exclude according to applicable law, from association grounds or any part thereof, licensed or unlicensed persons for violations of law;

D. the authority to interpret and enforce commission rules and determine all questions pertaining to racing and wagering matters in conformity with applicable law and the "customs of the turf"; and

E. the authority to request and receive assistance from commission employees, racing officials, track security, and federal, state, or local police in the investigation of possible violations of law.

Subp. 2. **Duties.** In addition to the duties and responsibilities necessary and pertinent to general supervision, control, and regulation of race meetings, and without limiting the authority of the presiding official to perform those and all other duties listed in this part, the presiding official shall have the following specific duties and responsibilities:

A. To consider and review all allegations of misconduct or rule infractions and, when warranted, initiate investigations of the allegations and conduct necessary hearings; or take the action necessary to prevent rule infractions.

B. To lock all pari-mutuel betting machines not later than the start of a race.

C. To maintain daily reports of actions taken and observations made during the conduct of each day's racing program. The report must contain the name of the track, the date, weather and track conditions, claims, inquiries and objections, and any unusual circumstances or conditions. The reports must be signed by the presiding official and filed with the commission within 24 hours.

D. To maintain detailed records of all questions, disputes, protests, complaints, or objections brought to the attention of the stewards at the host racetrack, and a summary of interviews, reports of investigations, and rulings issued thereon.

E. Within seven days after the conclusion of a race meeting, the presiding official must submit to the commission a written report containing their observations and comments concerning the conduct of the race meeting and the condition of the association grounds and any appropriate recommendation for improvement.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0140 DISCIPLINARY AND APPEAL PROCEDURES.

In the event the presiding official has reasonable cause to believe that a Class C licensee has committed an act or engaged in conduct in violation of statute or rules of the commission or which in the opinion of the presiding official otherwise adversely affects the integrity of horse racing and pari-mutuel wagering, the procedures contained in Minnesota Rules, part 7897.0150, must be adhered to.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*

7871.0150 EMERGENCY PROCEDURES FOR THE TOTALIZATOR SYSTEMS WHEN POOLS ARE COMMINGLED.

Subpart 1. **Interruption of the audio/visual satellite signal from the host racetrack.** In the event of an interruption of the audio/visual satellite signal from the host racetrack, the guest track's mutuel manager must:

A. notify the host track of the loss of the signal;

B. establish telephone linkup with the host track announcer to the PA system at the guest racetrack. The licensee may continue to accept wagering on the balance of the program and subsequent programs until the satellite downlink has been reestablished.

Subp. 2. Computer interface interruption.

A. In the event the guest totalizator system fails to transfer the data to the host system, the guest mutuel manager must notify host tote system representatives and the stewards of the problem and request additional time prior to the start of the race to allow for a retransmission of the data.

B. If a second data transfer fails, host tote system representatives shall notify the stewards that the transfer has failed and that the pools must be merged manually. In the event of a manual merge:

(1) The guest tote system operator must inform the host tote system operator of the total amount in the pool, the total dollars on winning wagers, and the total dollars on the losing wagers in the pool. The guest tote system operator shall send that information via a facsimile machine to the host tote system;

(2) The stewards at the host racetrack and the presiding official at the guest racetrack must be notified when the procedure has been completed in order to declare the race official;

(3) The licensee's tote system representative shall prepare a report indicating that the transfer of data could not be completed electronically and that the pools were merged manually. The report shall also include the following:

(a) a copy of the pool print report prior to the failure of the transfer of data;

(b) a copy of the final pool print report;

(c) a brief statement as to where the failure occurred, when the stewards were notified, and for what time period were prices delayed; and

(d) a worksheet from the host track signed by the host tote system representative, the host mutuel manager, and the state representative from the host's state racing commission showing total dollars bet in each pool and the final prices.

C. The guest track may continue to accept wagering on the balance of the program on a separate or manually merged commingled pool basis.

D. Any wager on subsequent programs prior to reestablishment of computer interface may be either canceled, or the pools calculated on a separate basis (no commingling), or manually merged on a commingled pool basis.

Subp. 3. Complete totalizator system failure at the guest track.

A. In the event the guest track's totalizator system fails, all money wagered on the race in which the tote system failed and all advance wagers must be refunded. Any wagering on the balance of the program or subsequent programs may not be accepted until the totalization system is operational to the satisfaction of the presiding official.

B. The host racetrack's mutuel manager must be notified of the system failure and all wagers at the guest track on the race in which the system failure occurred, and all advance wagers shall be taken out of the pools at the host racetrack.

Subp. 4. Complete totalizator system failure at the host racetrack.

A. In the event the host track's totalizator system experiences a complete failure, the guest mutuel manager will instruct the guest tote representative to extract the amount bet at the guest facility into the commingled pools for the race during which the system failure occurred and any advance wagers made on the balance of the program, for the purpose of calculating separate pools on the amounts wagered at the guest facility, or may refund amounts wagered.

B. The guest track may continue to accept wagers on the balance of the program on a separate pool basis or may reestablish commingled pool wagering in the event the host track's totalizator system problem has been corrected, or may refund amounts wagered.

Statutory Authority: *MS s 240.23*

History: *14 SR 1419*