

1 Minnesota Racing Commission

2

3 Adopted Permanent Rules Relating to Televised Racing Days

4

5 Rules as Adopted

6 7869.0100 DEFINITIONS.

7 Subpart 1. to 30. [Unchanged.]

8 Subp. 30a. **Guest racetrack.** "Guest racetrack" means a
9 class B licensed racetrack within the state which receives
10 broadcasts of races by television from a licensed racetrack
11 outside of this state.

12 Subp. 31. and 32. [Unchanged.]

13 Subp. 32a. **Host racetrack.** "Host racetrack" means a
14 licensed racetrack located outside of this state which
15 broadcasts its races by television to a licensed racetrack
16 within this state.

17 Subp. 33. [Unchanged.]

18 Subp. 33a. **Live racing day.** "Live racing day" means a
19 racing day assigned by the commission on which pari-mutuel
20 betting is conducted on horse races run at a licensed racetrack
21 including approved simulcasts.

22 Subp. 34. to 47. [Unchanged.]

23 Subp. 47a. **Presiding official.** "Presiding official" means
24 an official of the commission appointed by the director of
25 pari-mutuel racing, presiding over races conducted on approved
26 televised racing days.

27 Subp. 48. to 51. [Unchanged.]

28 Subp. 51a. **Racing day.** "Racing day" means a day assigned
29 by the commission on which racing is conducted. - Racing day
30 includes a televised racing day.

31 Subp. 52. to 65. [Unchanged.]

32 Subp. 65a. **Televised racing day.** "Televised racing day"
33 means a racing day assigned by the commission on which
34 pari-mutuel betting is conducted on separate pool and/or
35 commingled pool wagering and only on horse races run at

1 racetracks outside of the state which are broadcast by
2 television at a licensed racetrack.

3 Subp. 66. to 69. [Unchanged.]

4 7870.0420. PAYMENT OF CLASS A AND B LICENSE FEES.

5 A Class A or B license does not become effective until the
6 commission receives a certified check or bank draft to the order
7 of the state of Minnesota in the amount of the license fee as
8 follows and is void if the license fee is not received within
9 ten days, as computed pursuant to Minnesota Statutes, section
10 645.15, after issuance:

11 A. a nonrefundable fee of \$10,000 for a Class A
12 license;

13 B. a fee for a Class B license equal to \$100 for each
14 live racing day and \$50 for each televised racing day sought in
15 the license application. The commission must refund promptly to
16 the licensee any amount by which the fee paid exceeds the number
17 of actual days of racing sponsored and managed by the licensee.

18 CHAPTER 7871

19 MINNESOTA RACING COMMISSION

20 PARI-MUTUEL RULES ON TELEVISED RACING DAYS

21 7871.0010 APPLICATION FOR PARI-MUTUEL POOLS.

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

29 A. a signed request for approval of pari-mutuel
30 pools;

31 B. a copy of the administrative rules for pari-mutuel
32 pools in the states in which the host racetracks are located;

33 C. a detailed statement of how the request meets each
34 of the criteria in part 7871.0020, subpart 2; and

35 D. any other documentation the commission considers

1 necessary to ensure a complete understanding of the request.

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

5 A. Upon receipt of an application, the commission
6 shall send written notice of the application to all persons
7 registered with the commission for the purpose of notification
8 of approval of pari-mutuel pool on televised racing days and all
9 other Class B licensees. The notice must include a brief
10 description of the request, a statement that all persons wishing
11 to comment may do so in writing within 20 days after issuance of
12 the notice, the time and place of any public hearing on the
13 application, and the earliest and latest date on which the
14 commission may act.

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

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

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

26 E. The commission shall approve, deny, or give its
27 qualified approval to an application for pari-mutuel pools not
28 sooner than 30 nor later than 45 days after filing of the
29 application.

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

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

1 subpart 1.

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

6 7871.0020 APPROVAL OF PARI-MUTUEL POOLS ON TELEVISED RACING DAYS.

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

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

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

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

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

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

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

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

35 G. the performance of the licensee and host racetrack

1 with previously approved pari-mutuel pools;

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

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

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

9 K. the entertainment and recreation opportunities for
10 Minnesota citizens;

11 L. the variety of racing;

12 M. the quality of racing;

13 N. the availability and quality of horses;

14 O. the development of horse racing;

15 P. the quality of racetrack facilities;

16 Q. security;

17 R. purses;

18 S. benefits to Minnesota breeders and horse owners;

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

22 U. the social effects;

23 V. community and government support;

24 W. sentiment of horsepersons; and

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

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

34 7871.0030 PARI-MUTUEL BETTING.

35 Subpart 1. Minimum return. On a televised racing day

1 approved by the commission, the minimum return on each winning
2 wager shall be that amount which is in effect at the host
3 track. The share of liability for insufficient money in the net
4 pool may be as agreed to by the licensee and the host racetrack.

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

13 7871.0040 "OFFICIAL" SIGN.

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

17 7871.0050 LOST TICKETS.

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

19 7871.0060 ALTERED OR MUTILATED TICKETS.

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

23 7871.0070 INFORMATION WINDOW.

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

30 7871.0080 TIP SHEETS.

31 Subpart 1. Number of tip sheets. Should the licensee
32 elect to allow the availability of tip sheets, not less than two
33 independently handicapped tip sheets shall be available at a

1 racetrack. Each handicapper must sign and deliver the sheet at
2 least one hour before post time for the first race to the
3 presiding official at the licensee's racetrack.

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

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

11 7871.0090 SIMULCAST WAGERING ON A TELEVISED RACING DAY.

12 Subpart 1. Request. Upon written request of a Class B
13 licensee, the commission shall approve wagering on races
14 televised to Minnesota from another licensed racing jurisdiction
15 during a televised racing day. A signed reciprocal agreement
16 among the racetrack originating (hosting) the broadcast, the
17 association representing the horsepersons at the host track, the
18 Minnesota racetrack receiving the broadcast, and the association
19 representing the horsepersons at the Minnesota racetrack
20 receiving the broadcast must be filed with the commission prior
21 to the broadcast.

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

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

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

33 7871.0100 TELEPHONE ACCOUNT WAGERING.

34 Subpart 1. Request. Upon written request of a Class B or
35 Class D licensee, the commission may approve telephone account

1 wagering to be conducted on the premises of a licensed
2 racetrack. The request must show how the telephone account
3 wagering system will promote the success and integrity of
4 racing, public interest, necessity, and convenience; and the
5 impact on the economic viability of the applicant racetrack and
6 all other racetracks licensed by the commission, including
7 impact on pari-mutuel handle.

8 Subp. 2. **Requirements.** The association must meet the
9 following requirements prior to conducting telephone account
10 wagering:

11 A. A Minnesota-only "800" telephone system must be
12 installed to receive wagers. No wagers may be accepted except
13 by use of the required "800" telephone system.

14 B. The Minnesota-only "800" telephone system must be
15 capable of recording all conversations and transactions
16 conducted. The recording device must be used at all times when
17 calls are received, and all recordings must be kept for a period
18 of no less than 90 days for inspection by the commission.

19 C. Employees of the association receiving telephone
20 account wagers must be holders of a current Class C pari-mutuel
21 license issued by the commission.

22 D. The association must use a totalizator system
23 capable of recording all transactions conducted by the telephone
24 account wagering system.

25 Subp. 3. **Conduct of telephone account wagering.** Telephone
26 account wagering shall be conducted in the following manner:

27 A. A person desiring to open a telephone wagering
28 account must:

29 (1) be 18 years old or older and provide proof of
30 identification and age;

31 (2) deposit with the association no less than
32 \$100 in cash or by certified check or money order; and

33 (3) obtain a code number and code name assigned
34 by the association.

35 B. All wagering transactions must begin with the
36 customer stating his or her code name and number. Thereafter,

1 transactions shall be identified by the race number, the types
2 and amounts of wagers, and by horse numbers. The information
3 must be repeated by the pari-mutuel clerk and the customer's
4 account balance must be given to the customer after each
5 transaction.

6 C. The total amount of all telephone account wagers
7 shall be included in the respective pools for each race. The
8 amount wagered from individual accounts shall be debited
9 accordingly, and any winnings shall be automatically credited to
10 such accounts upon the race being declared "official."

11 D. Actual race results may not be divulged to
12 telephone account customers during racing hours; however,
13 account balances may be given.

14 Subp. 4. Reports to be filed. Each association conducting
15 telephone account wagering must provide complete reports to the
16 commission on a weekly basis. The reports must include a record
17 of all debits, credits, balances, and any complaints received
18 and the disposition of such complaints.

19 Subp. 5. Compliance with rules. Telephone account
20 wagering shall be conducted in compliance with all state and
21 federal laws and other applicable rules of the commission.

22 7871.0110 DISTRIBUTION OF PURSE MONEY.

23 Subpart 1. Purse amounts. Pursuant to Minnesota Statutes,
24 section 240.13, subdivision 6, paragraph (d), an amount equal to
25 25 percent of 22 percent of the amounts required to be withheld
26 from all pari-mutuel pools must be allocated for purses by an
27 association conducting televised horse racing.

28 Subp. 2. Escrow accounts. All money withheld for purses
29 by an association pursuant to subpart 1 must be placed in
30 interest-bearing escrow accounts and set aside for purse monies
31 in the next racing meeting for the breed involved.

32 7871.0120 APPOINTMENT OF PRESIDING OFFICIAL.

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

1 of pari-mutuel racing.

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

7 7871.0130 AUTHORITY AND DUTIES OF PRESIDING OFFICIAL.

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

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

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

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

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

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

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

35 A. To consider and review all allegations of

1 misconduct or rule infractions and, when warranted, initiate
2 investigations of the allegations and conduct necessary
3 hearings; or take the action necessary to prevent rule
4 infractions.

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

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

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

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

25 7871.0140 DISCIPLINARY AND APPEAL PROCEDURES.

26 In the event the presiding official has reasonable cause to
27 believe that a Class C licensee has committed an act or engaged
28 in conduct in violation of statute or rules of the commission or
29 which in the opinion of the presiding official otherwise
30 adversely affects the integrity of horse racing and pari-mutuel
31 wagering, the procedures contained in Minnesota Rules, part
32 7897.0150, must be adhered to.

33 7871.0150 EMERGENCY PROCEDURES FOR THE TOTALIZATOR SYSTEMS WHEN
34 POOLS ARE COMMINGLED.

35 Subpart 1. Interruption of the audio/visual satellite

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

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

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

10 Subp. 2. Computer interface interruption.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 A. In the event the host track's totalizator system
32 experiences a complete failure, the guest mutuel manager will
33 instruct the guest tote representative to extract the amount bet
34 at the guest facility into the commingled pools for the race
35 during which the system failure occurred and any advance wagers
36 made on the balance of the program, for the purpose of

1 calculating separate pools on the amounts wagered at the guest
2 facility, or may refund amounts wagered.

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

8 7872.0100 APPLICATION FOR RACING DAYS.

9 Subpart 1. Submission of live racing days requests. On or
10 before December 31 of any year, a Class B or Class D licensee
11 may apply for an assignment of live racing days for up to the
12 next three calendar years by submitting an original and 15
13 copies of the following:

14 A. to D. [Unchanged.]

15 Subp. 2. to 5. [Unchanged.]

16 Subp. 6. Submission of televised racing dates request. A
17 class B licensee may apply for an assignment of televised racing
18 dates no later than 30 days before the requested commencement of
19 televised racing days. Each request for televised racing dates
20 must include an original and 15 copies of the following:

21 A. a signed request for assignment of racing days;

22 B. a statement that includes dates requested, breeds
23 of horses, types of races, number of races per program, and a
24 tentative list of potential host racetracks and their days and
25 post times of racing;

26 C. a detailed statement of how the request meets each
27 of the criteria in part 7872.0110; and

28 D. any other documentation the licensee deems
29 necessary to ensure a complete understanding of the request.

30 Subp. 7. Variations to televised racing days within dates
31 previously approved by commission. The director of pari-mutuel
32 racing may approve variations and changes in racing programs and
33 host racetracks if requested by the licensee and if all changes
34 meet the criteria in part 7872.0110, subpart 2.

35 7872.0110 ASSIGNMENT OF RACING DAYS.

- 1 Subpart 1. [Unchanged.]
- 2 Subp. 2. Basis for assignment of racing days. When
- 3 considering a request for assignment of racing days, the
- 4 commission must consider the success and integrity of racing;
- 5 the public health, safety, and welfare; public interest,
- 6 necessity, and convenience; as well as the following factors:
- 7 A. the integrity of the licensee and the host
- 8 racetrack;
- 9 B. the financial strength of the licensee and the
- 10 host racetrack;
- 11 C. the ability of the licensee and the host racetrack
- 12 to conduct horse racing, including licensee's facilities,
- 13 systems, policymakers, managers, and personnel;
- 14 D. past compliance of the licensee and the host
- 15 racetrack with all laws, rules, and orders regarding pari-mutuel
- 16 horse racing;
- 17 E. the licensee's market, including area, population,
- 18 and demographics;
- 19 F. the performance of the licensee and host racetrack
- 20 with previously assigned dates;
- 21 G. to Y. [Unchanged.]