



### Proposed/Temporary Administrative Rules Form

#### Section 1 (To be Completed by Agency)

Agency Name: Idaho Racing Commission		STARS Agency Code: 332	Fax Number: 208-884-7098	Date: 6/6/2013
Contact Person: Teresa Baker	Title: PIO & Rules Coordinator	Phone: 208-884-7122	Email: Teresa.baker@isp.idaho.gov	
Person Authorizing Rule: Frank Lamb	Title: Racing Administrator	Phone: 208-884-7081	Email: Frank.lamb@isp.idaho.gov	
Statutory Authority for the rule making (Idaho Code, Federal Statute or Regulation): ID 54-2506; ID 54-2512A				
Title, Chapter, and Possible Docket (IDAPA) Number: 11.04.08.216 —Rules Governing Pari-Mutuel Wagering				
This rule is: <input checked="" type="checkbox"/> Proposed <input checked="" type="checkbox"/> Temporary			Effective Date: 7/1/2013	
<p>If this is a temporary rule:</p> <p><input checked="" type="checkbox"/> Necessary to protect the public health, safety, or welfare; or</p> <p><input checked="" type="checkbox"/> Compliance with deadlines in amendments to governing law or federal programs; or</p> <p><input checked="" type="checkbox"/> Conferring a benefit.</p> <p>Please explain: New statute goes into effect July 1, 2013, and charges the Racing Commission with enforcing and regulating the Historical Racing Wagering. Rules need to be in effect in order to fulfill legislative mandate. The public welfare will not be properly served if rules are not made to enforce a law which will be in effect on July 1, 2013. The legislature has already determined the industry will greatly benefit from Historical Racing Wagering.</p>				
If this is a temporary rule which imposes a fee or charge, provide justification as described in Idaho Code 67-5226(2): N/A				
<p>Agency has determined according to Idaho Code 67-5220(1):</p> <p><input checked="" type="checkbox"/> This rule is to be negotiated                      <input type="checkbox"/> Negotiation of this rule is not feasible</p>				
<p>If rule is negotiated:</p> <p>Agency certifies that the rule <input type="checkbox"/> has been or <input checked="" type="checkbox"/> will be negotiated with interested persons as outlined in Idaho Code 67-5220(3).                      <i>(indicate which)</i></p>				
<p>If rule negotiation is not feasible, the agency has determined:</p> <p><input type="checkbox"/> Rule is temporary; or    <input type="checkbox"/> Lack of identifiable representatives of affected interests; or</p> <p><input type="checkbox"/> Rule is simple in nature; or    <input type="checkbox"/> Affected interests are not likely to reach consensus; or</p> <p><input type="checkbox"/> Other.</p> <p>Please explain:</p>				
<p>Provide a fiscal impact statement for all programs affected. Be sure to reflect both positive and negative impacts and to include all fund sources including both the General Fund and dedicated funds:</p> <p>There will be no impact to the General Fund, either positive or negative.</p> <p>There will be no negative impact to dedicated funds.</p> <p>Positive impact projected below includes increases during the first year alone:</p> <p>\$182,000 additional funds to the Small Track Fund (281% increase)</p> <p>\$182,000 additional funds to the Breed Distribution Fund (281% increase)</p>				

\$455,000 additional funds to the Racing Commission (150% increase)  
 \$455,000 additional funds to the Public School Income Fund (164% increase)  
 \$1,820,200.00 additional funds to the Purse Accumulation Fund (400% increase)  
 \$91,000 new funds to the Idaho Horse Council Youth Program Fund (Brand-new fund created through Historical Racing Act)  
 The 400% increase in purse money will significantly improve the industry overall. Larger purses attract more horses, and those of better quality. More racing and more horses will mean more revenue and an estimated 200 new jobs in the agricultural sector, in the first year alone.

Provide a short explanation of the need for this rule:  
 The legislature approved Historical Racing Act in order to save a declining industry and prevent significant loss to the agricultural sector. To delay rulemaking could be harmful to a fragile industry.

Provide a short summary of the changes this rule makes:  
 Promulgates rules for the Historical Racing Act, which will go into effect on July 1, 2013.

Provide a list of those persons or interest group(s) affected by this rule:  
 Idaho Race Track Associations  
 Idaho Horsemen's Groups  
 Idaho Breed Associations  
 Idaho Public Schools  
 Idaho Horse Council Youth Program

**Section 2 (To be Completed by DFM)**

**DFM Analyst Comments:** This negotiated rule by the department is consistent with the statutory requirements from HB220 that permits pari-mutuel betting on "historical horse races," a type of simulcast betting that involves replays of old but unidentified races. Pari-mutuel wagering on historical horse races would be conducted at facilities authorized to conduct simulcast races. Each licensee must enter into an agreement with the Idaho Horsemen's Benevolent and Protective Association to establish the percentage of the handle that is dedicated to the live horse race purse structure. The legislation also established a dedicated fund and codifies the distribution and payment of all funds to be deposited from any historical horse race pool.

**DFM Analyst Fiscal Impact Review:** No known fiscal impact to the General Fund.

<b>DFM Analyst Signature &amp; Date:</b> Matt Orem, 7-12-13	<b>Recommend:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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<b>Gov Special Assistant Signature &amp; Date:</b> Stephen Goodson 7-12-13	<b>Recommend:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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**DFM Administrator Action:**

Approved  
 Authorized to Advance Rulemaking Process, DFM to review draft rule prior to publication (See Section 3)  
 Not Approved

**DFM Administrator Signature & Date:**



**Section 3 (To Be Completed By DFM if Required)**

<b>DFM Analyst Signature &amp; Date:</b>	<b>Recommend:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
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<b>DFM Administrator Signature &amp; Date:</b>	<b>Approved:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
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**IDAPA 11  
TITLE 04  
CHAPTER 02**

**IDAHO STATE RACING COMMISSION**

**11.04.02 - RULES GOVERNING SIMULCASTING**

**000. LEGAL AUTHORITY.**

This chapter is adopted pursuant to the legal authority of Title 54, Chapter 25, Idaho Code. (4-9-09)

**001. TITLE AND SCOPE.**

**01. Title.** These rules are cited as IDAPA 11.04.02, "Rules Governing Simulcasting," of the Idaho State Racing Commission. (4-9-09)

**02. Scope.** These rules regulate simulcasting within Idaho and all aspects of simulcasting. (4-9-09)

**002. WRITTEN INTERPRETATIONS.**

There are no written interpretations for these rules. (4-9-09)

**003. ADMINISTRATIVE APPEALS.**

Persons may be entitled to appeal Racing Commission actions authorized under these rules pursuant to Title 67, Chapter 52, Idaho Code. (4-9-09)

**004. INCORPORATION BY REFERENCE.**

No documents are incorporated by reference into these rules. (4-9-09)

**005. OFFICE -- OFFICE HOURS -- STREET ADDRESS -- MAILING ADDRESS -- TELEPHONE -- WEBSITE.**

**01. Physical Address.** The central office of the Idaho State Racing Commission is located at 700 S. Stratford Drive, Meridian, Idaho. (4-9-09)

**02. Office Hours.** The central office is open 8 a.m. to 5 p.m., Mountain Time, Monday thru Friday, except holidays designated by the state of Idaho. (4-9-09)

**03. Mailing Address.** The mailing address for the central office is Idaho State Racing Commission, P.O. Box 700, Meridian, Idaho 83680-0700. (4-9-09)

**04. Telephone Number.** The telephone of the office is (208) 884-7080. (4-9-09)

**05. Fax Number.** The facsimile number of the office is (208) 884-7098. (4-9-09)

**06. Website.** The Racing Commission website is: <http://www.isp.state.id.us/race>. (4-9-09)

**006. PUBLIC RECORDS AVAILABILITY.**

These rules are public records available for inspection and copying at the Idaho State Racing Commission central office or on the Racing Commission website. (4-9-09)

007. -- 009. (RESERVED)

010. DEFINITIONS.

01. **Association Which Accepts the Wager.** The guest association to which the bettor contributes his money to the pari-mutuel pool and receives a pari-mutuel ticket. (4-9-09)

02. **Authorized User.** A person authorized by the Racing Commission to receive, decode, and use for legal purposes the encrypted simulcast signal of pari-mutuel events. (4-9-09)

03. **Breakage.** The odd cents rounded down to the lowest multiple of ten cents (\$.10) in a positive pool and down to the lowest multiple of five cents (\$.05) in a minus pool. (4-9-09)

04. **Combined Pools.** The pari-mutuel wagers at one (1) or more guest associations being contributed into the pari-mutuel pools of a host association. (4-9-09)

05. **Decoder.** A device or means to convert encrypted audio-visual signals or data into a form recognizable as the original content of the signals. (4-9-09)

06. **Designated Area.** An age controlled area approved by the Commission where Historical Horse Race Terminals are located.

~~06.~~

07. **Downlink.** A receiving antenna coupled with an audio-visual signal receiver that is compatible with and capable of receiving simultaneous audio-visual signals or data emanating from a host association. This includes the electronic transfer of received signals from the receiving antenna to TV monitors within the satellite facility.

~~0708.~~ **Enclosure, Enclosure-Public.** Includes all enclosed areas of the simulcast wagering facility. (4-9-09)

~~0809.~~ **Encryption.** The scrambling or other manipulation of the audio-visual signals to mask the original content of the signal and so cause such signals to be indecipherable and unrecognizable to any person receiving such signal. (4-9-09)

~~0910.~~ **Foreign Jurisdiction.** A jurisdiction of a foreign country or political subdivision thereof. (4-9-09)

~~1011.~~ **Guest, Guest Association or Simulcast Operator.** A simulcast licensee authorized by the Racing Commission to offer, sell, cash, redeem or exchange pari-mutuel tickets on races being run at a host association. (4-9-09)

~~1112.~~ **Handle or Gross Handle.** Total amount of money wagered on a race less refunds and cancels. (4-9-09)

13. **Historical Horse Race.** A race involving live horses that was conducted in the past and that is rebroadcast by electronic means and shown on a delayed or replayed basis for the purposes of wagering conducted at a facility that is authorized to show simulcast and/or televised races (also known as "instant racing").

~~1214.~~ **Horse.** Includes filly, mare, colt, horse or gelding in general; when referring to sex, filly becomes a mare when five (5) years old; a horse is an intact male when five (5) years old or older. (4-9-09)

~~1315.~~ **Host or Host Association.** The racing association conducting a licensed horse racing meeting when it is authorized by the Racing Commission to simulcast its racing program. It may also be considered the sending track which means any track from which simulcast signals originate. (4-9-09)

~~1416.~~ **Hub.** A facility that acts as an intermediary between pari-mutuel wagering facilities for the transmission of wagering data and that is responsible for generating all reports necessary for the reconciliation of

payments. (4-9-09)

**1517. Interstate Simulcast Wagering.** (4-9-09)

a. Wagering conducted by a betting system outside the state of Idaho on the results of one (1) or more races being run at an Idaho host association; or (4-9-09)

b. Wagering conducted by a betting system within the state of Idaho on the results of one (1) or more races being run at a host association outside the state of Idaho. (4-9-09)

**1618. Intrastate Simulcasting Wagering.** Pari-mutuel wagering at an Idaho guest association on Idaho horse racing events run at an Idaho host association. (4-9-09)

**1719. Racing Association.** Any person licensed by the Racing Commission to conduct a race meet and pari-mutuel wagering. (4-9-09)

**1820. Racing Commission.** Three (3) member Idaho State Racing Commission created by Section 54-2503, Idaho Code, or its designee. (4-9-09)

**1921. Simulcast.** The telecast or other transmission of live audio and visual signals of a race, transmitted from a sending track to a receiving location, for the purpose of wagering conducted on the race at the receiving location. (4-9-09)

**2022. Simulcast Facility.** The physical premises, structure and equipment utilized by a guest or host association for conducting pari-mutuel wagering on horse racing events and permitted pari-mutuel events. Such facility must be a part of the license granted to the guest or host association. (4-9-09)

**2123. Simulcast Service Supplier.** (4-9-09)

a. A person engaged in providing service, supplies or equipment necessary to the operation of intrastate, interstate or out-of-state simulcast wagering for use by a host association, guest association, simulcast operator, or authorized user, including pari-mutuel wagering terminals, uplink, downlink, television receivers and related equipment. (4-9-09)

b. It does not include persons authorized by the Federal Communications Commission to provide telephone service or space segment time on satellite transponders. (4-9-09)

**2224. Satellite Transponder, Transponder.** Leased space segment time of an earth-orbit communication satellite. (4-9-09)

**2325. Take or Takeout.** Money deducted from mutuel pools that is shared by the track and local and state governing bodies in the form of a tax. (4-9-09)

**26. Terminal.** The device connected to the pari-mutuel system used to place wagers.

**2427. Totalisator.** A computer that, directly or indirectly through one (1) or more other totalisators, receives pari-mutuel wagering information, calculates pay-offs for winning tickets and generates reports with respect to such information, and may refer to the linked computers of the hub and the track. (4-9-09)

**2528. Uplink.** An earth station broadcasting facility, whether mobile or fixed, which is used to transmit audio-visual signals or data on Federal Communication Commission-controlled frequencies, and includes any electronic transfer of the audio-visual signals from within the racing enclosure to the location of the transmitter at the uplink. (4-9-09)

**011. ABBREVIATIONS.**

There are no abbreviations used in these rules. (4-9-09)

012. -- 014. (RESERVED)

015. REQUIREMENTS FOR LICENSURE OF A SIMULCAST FACILITY.

01. **General.** Any racing association or simulcast operator authorized under these rules to conduct pari-mutuel wagering who desires to display the simulcast of pari-mutuel events on which pari-mutuel betting will be permitted, in the manner and subject to the conditions provided for under these rules, may apply to the Racing Commission for a license. (4-9-09)

02. **Application for License.** The application for a license must be in such form as may be prescribed by the Racing Commission and must contain such information or other material or evidence as the Racing Commission may require. (4-9-09)

03. **Daily Simulcast License Fee.** The fee for such license is based upon the weekly handle. (4-9-09)

a. If the handle is greater than thirty thousand dollars (\$30,000), the fee will be one hundred dollars (\$100) per day of simulcast operation payable by the licensee to the Racing Commission. Seventy-five dollars (\$75) of this fee will be paid to the Idaho State Racing Commission and twenty-five (\$25) will be deposited in the Public School Income Fund. (4-9-09)

b. If the weekly handle is at least fifteen thousand dollars (\$15,000), but less than thirty thousand dollars (\$30,000), the fee will be fifty dollars (\$50) per day of simulcast operation payable by the licensee to the Racing Commission. Twenty-five dollars (\$25) of this fee will be deposited in the Public School Income Fund and twenty-five dollars (\$25) will be paid to the Idaho State Racing Commission. (4-9-09)

c. If the weekly handle is less than fifteen thousand dollars (\$15,000), the fee will be twenty-five dollars (\$25) which will be deposited in the Public School Income Fund. (4-9-09)

04. **Review and Approve.** Before the Racing Commission grants such license, it will review and approve a plan of operation submitted with a license application including, but not limited to, the following information: (4-9-09)

a. A feasibility study denoting the revenue earnings expected from the simulcast facility and the costs expected to operate such a facility. The feasibility study includes: (4-9-09)

i. The number of simulcast races to be displayed; (4-9-09)

ii. The types of wagering to be offered; (4-9-09)

iii. The level of attendance expected and the area from which such attendance will be drawn; (4-9-09)

iv. The level of anticipated wagering activity; (4-9-09)

v. The source and amount of revenues expected from other than pari-mutuel wagering; (4-9-09)

vi. The cost of operating the simulcast facility and the identification of costs to be amortized and the method of amortization of such costs; and (4-9-09)

vii. The probable impact of the proposed operation on revenues to local government. (4-9-09)

b. The security measures to be employed to protect the facility, to control crowds, to safeguard the transmission of wagering data to effectuate common wagering pools. (4-9-09)

c. The type of data processing, communication and transmission equipment to be utilized. (4-9-09)

- d. The description of the management groups responsible for the operation of the simulcast facility. (4-9-09)
- e. The system of accounts to maintain a separate record of revenues collected by the simulcast facility, the distribution of such revenues and the accounting of costs relative to the simulcast operation. (4-9-09)
- f. The location of the facility and a written confirmation from appropriate local officials that the location of such facility and the number of patrons expected to occupy such facility are in compliance with all applicable local ordinances, along with approval by appropriate county or city officials. (4-9-09)

**016. CRITERIA FOR APPROVAL OF APPLICATION FOR SIMULCAST OPERATOR.**

The Racing Commission uses the following decisional criteria in the approval or disapproval of an application for simulcast operator. (4-9-09)

- 01. **General Benefit to the State.** The operator's general benefit to the state of Idaho. (4-9-09)
- 02. **General Benefit to Horse Racing Industry.** The operator's general benefit to the state of Idaho's horse racing industry. (4-9-09)
- 03. **Operator's Integrity.** The operator's integrity, including: (4-9-09)
  - a. Individual and corporate conduct; (4-9-09)
  - b. Criminal history; and (4-9-09)
  - c. Betting and gaming industry conduct. (4-9-09)
- 04. **Operator's Credibility.** The operator's credibility, including: (4-9-09)
  - a. Accuracy of a feasibility study; and (4-9-09)
  - b. Experience and expertise of the operator in the simulcast industry. (4-9-09)
- 05. **Financial Stability.** The operator's financial stability. (4-9-09)

**017. -- 025. (RESERVED)**

**026. HOST ASSOCIATION.**

01. **Contract.** Subject to Racing Commission approval of a simulcast contract, a host association licensed by the Racing Commission may simulcast its horse races to intrastate, interstate and out-of-state authorized users for the purpose of pari-mutuel wagering. (4-9-09)

02. **Content.** A racing association is responsible for the content of its simulcast and must use all reasonable effort to present a simulcast that offers the viewers an exemplary depiction of its racing program, a periodic display of wagering information, and continuity programming between horse racing events. (4-9-09)

03. **Video.** Unless otherwise permitted by the Racing Commission, every simulcast must contain in its video content a digital display of the actual time of day, the name of the host facility from where it emanates, the number of the horse race being displayed, and the minutes to post. (4-9-09)

04. **Security Controls.** As a condition of contract approval, or when deemed necessary by the Racing Commission, the host association may be required to provide and maintain security controls, including encryption over its uplink and communications systems. (4-9-09)

**027. GUEST ASSOCIATIONS.**

**01. Contract Approval.** Guest racing associations that are licensed by the Racing Commission and subject to contract approval by the Racing Commission may receive simulcast races for the purpose of pari-mutuel wagering from one (1) or more host associations. (4-9-09)

**02. Plan for Testing.** A plan that is subject to approval by the Racing Commission must be submitted by a guest racing association for testing the transmission, encryption and decoding, and data communication to assure proper system function prior to the commencement of each simulcast program or race from a host association. (4-9-09)

**028. INTERSTATE COMMON POOL WAGERING.**

Subject to contract approval by the Racing Commission, a racing association may participate in common pool wagering by accepting wagers placed in other jurisdictions or by offering wagers on races run in other jurisdictions. Contract approval requirements include, but may not be limited to, the following: (4-9-09)

**01. Licensing Requirement.** A contract to participate in interstate common pool wagering must include evidence that the authorized user in the other jurisdiction is licensed or otherwise authorized or approved by the pari-mutuel authority or equivalent in that jurisdiction. (4-9-09)

**02. Pari-Mutuel Systems Requirement.** A contract to participate in interstate common pool wagering must: (4-9-09)

**a.** Include evidence that the authorized user in the other jurisdiction utilizes a pari-mutuel wagering system fully compliant with requirements for totalisator systems used by licensed racing associations in Idaho; (4-9-09)

**b.** Specify the regulatory authority responsible for granting a license to the racing association serving as host for purposes of aggregation of common pool wagering; (4-9-09)

**c.** Specify the name and location of the racing association that is the host for the common pool, and the individuals and contact information for matters relating to the contract and common pool wagering; and (4-9-09)

**d.** Specify the name of the totalisator company, location of the totalisator facility utilized to receive wagers and aggregate pools for the purpose of common pool wagering and the individuals and contact information for matters relating to the contract and common pool wagering. (4-9-09)

**03. Access to Reports and Wagering Information Requirement.** A contract to participate in interstate common pool wagering must include evidence that the authorized user in the other jurisdiction will provide full and prompt access to, and cooperation in providing, all reports and information that may be requested by the Racing Commission. This includes wagering transaction data in either a hard copy report or a standard electronic data format acceptable to the Racing Commission. Such requirement apply to all wagering on races run in Idaho and all wagering pools that accept wagers placed from Idaho. (4-9-09)

**04. Breakage.** The contract must include provisions specifying the distribution of breakage consistent with the requirement for wagers placed in Idaho. (4-9-09)

**029. NET POOL PRICING.**

**01. Takeout Rates.** If takeout rates are not the same for all jurisdictions and net pool pricing is utilized, the contract must specify net pool pricing. (4-9-09)

**a.** Individual wagering transactions are deemed to be made at the point of sale in the state where placed unless otherwise specified by statute or court ruling. (4-9-09)

**b.** Any surcharges or withholdings in addition to the takeout must only be applied in the jurisdiction otherwise imposing such surcharges or withholdings. (4-9-09)

c. In determining whether to approve an interstate common pool which does not include the host track or which includes races from more than one racing association, the Racing Commission will consider and may approve use of a bet type which is not utilized at the host association, application of a takeout rate not in effect at the live event track, or other factors which are presented to the Racing Commission. (4-9-09)

d. The content and format of the visual display of racing and wagering information at facilities in other jurisdictions where wagering is permitted in the interstate common pool need not be identical to the similar information permitted or required to be displayed under these rules. (4-9-09)

**02. Guest Participation in Interstate Common Pools. (4-9-09)**

a. The Racing Commission may approve a takeout from the pari-mutuel pools identical to that of other jurisdictions participating in a merged pool. (4-9-09)

b. ~~Rules of racing either Live or Historic,~~ as established for the race in the host state will apply to the merged pool. (4-9-09)

c. The simulcast operator must designate which one of the following procedures it will use if it becomes impossible to successfully merge the corresponding pools into the interstate common pool, and must publish their designated procedure in the printed program: (4-9-09)

i. Compute payouts in accordance with payout prices that would have been in effect if prices for the pool of bets were calculated without regard to wagers placed elsewhere; or (4-9-09)

ii. With permission of the Racing Commission, pay winning tickets at the payout prices at the host track; or (4-9-09)

iii. Declare such accepted bets void and make refunds in accordance with the applicable rules. (4-9-09)

**030. HOST PARTICIPATING IN INTERSTATE COMMON POOLS.**

**01. Rules of Racing Established.** Rules of racing established for races held in Idaho will also apply to interstate common pools unless the Racing Commission has specifically determined otherwise. (4-9-09)

**02. When Impossible to Merge Pools.** Any contract for interstate common pools must contain a provision that states that if, for any reason, it becomes impossible to successfully accept placed wagers or to merge corresponding pools into the interstate common pool formed by the pari-mutuel pool host and the Racing Commission's or the pari-mutuel pool host's representative determines that accepting wagers or attempting to effect transfer of pool data from the guest association may endanger the integrity of the pool or the timely processing of payouts, the pari-mutuel pool host will have no liability for guest's wagers or corresponding pools not being accepted into the host pool. (4-9-09)

**031. -- 034. (RESERVED)**

**035. LICENSES FOR SIMULCAST OPERATORS.**

**01. License.** Every person acting as a simulcast operator within Idaho must procure a license from the Racing Commission and no person will act in the capacity of a simulcast operator without a valid license. Such license may be renewed annually unless the application is denied for any cause that justifies the suspension or revocation of the license for violation of these rules. (4-9-09)

**02. Responsibilities of Applicant.** Each applicant must: (4-9-09)

a. Submit a financial statement as required by the Idaho State Racing Commission; (4-9-09)

b. Post with the Racing Commission a surety, in the amount and in such form as the Racing Commission may require, that is sufficient to ensure payment of distributable amounts of pari-mutuel pools pursuant to statute, operational costs, salaries, wages, benefits, and related financial obligations; and (4-9-09)

c. Demonstrate experience or adequate knowledge of the conduct of simulcast wagering or pari-mutuel wagering operations. (4-9-09)

**03. Simulcast License Application.** The simulcast operator intending to conduct wagering on an out-of-state race must file with the Racing Commission a completed simulcast application. The application will be provided and approved by the Racing Commission. At a minimum the application will require the applicant to provide the following information: (4-9-09)

a. The number of live races projected in the current year; (4-9-09)

b. The number of live races run in the preceding year; (4-9-09)

c. Documentation that the required bond has been posted; (4-9-09)

d. Documentation that the appropriate public liability insurance has been obtained; (4-9-09)

e. Evidence of approval from the appropriate county or city officials; (4-9-09)

f. A signed contract from a local horsemen's group. The horsemen's group must be one that meets the definition of a horsemen's group as defined in Section 54-2502, Idaho Code. The contract must not conflict with any of the provisions of Sections 3001 through 3007 of Title 15 of the United States Code or any other federal laws; (4-9-09)

g. A statement setting forth the date and time it intends to commence accepting wagers on out-of-state race or races; and (4-9-09)

h. Any other written or oral approvals required by the Racing Commission. (4-9-09)

**04. Restrictions.** (4-9-09)

a. No license will be granted to any person or entity that has failed, refused or neglected to comply with any rule, condition of license, or order of the Racing Commission or its stewards that is reasonably related to its conduct as a simulcast operator. (4-9-09)

b. No license will be granted to any person or entity that has engaged in any activity that is grounds for denial, suspension or revocation of license pursuant to the rules of the Racing Commission or whose general partners, officers, directors, or employees have engaged in any unlawful activity determined to be conduct detrimental to the best interest of horseracing. (4-9-09)

c. Additionally, no license will be granted to a person or entity that has failed, refused or neglected to enter into an agreement with a horsemen's group as defined in Section 54-2502, Idaho Code. (4-9-09)

**05. No Limitation.** There will be no limitation as to the number of days a licensee may operate except as may otherwise be provided for within these rules or the Idaho Code. (4-9-09)

**036. SIMULCAST PURSE MONEY COLLECTION AND DISTRIBUTION.**

**01. Designated Purse Monies.** Each simulcast operator licensed by the Racing Commission must remit to the Racing Commission those monies designated by the horsemen's agreement as purse monies. Payment must be made on a timely basis as provided in said agreement which will in no event be greater than thirty (30) days after accrual to the simulcast facility. (4-9-09)

**02. Dual Signature Insured Account.** Each horsemen's group signatory to a horsemen's agreement authorizing simulcasting must open and maintain a dual signature insured account, hereinafter called a "purse accumulation account." (4-9-09)

**03. Deposit into Appropriate Account.** Prior to commencement of the live race meet, the Racing Commission will annually deposit into the appropriate purse accumulation account those funds paid to the Racing Commission by the respective simulcast operator(s). The Racing Commission has the authority to approve more frequent payments, if requested by said horseman's group. (4-9-09)

**04. Sanctions.** In addition to all available sanctions, any person or licensee who receives monies designated as purse monies as described in these rules, and who violates these rules, can be ordered to pay a monetary penalty as set forth in Section 54-2509(4), Idaho Code, and daily interest accrued thereupon at the rate set by the Idaho State Treasurer. (4-9-09)

037. -- 039. (RESERVED)

#### 040. DUTIES OF SIMULCAST OPERATOR.

**01. General.** A simulcast operator conducts and operates a pari-mutuel wagering system at one (1) or more guest associations on the results of horse races being held or conducted and simulcast from the enclosures of one (1) or more host associations pursuant to its agreement with such guest and host association and with the approval of the Racing Commission. (4-9-09)

**02. Provisions.** A simulcast operator must provide: (4-9-09)

a. Adequate transmitting or receiving equipment that does not interfere with the closed circuit TV system of the host association. All equipment must be of acceptable broadcast quality and meet applicable Federal Communications Commission and Racing Commission rules and orders. Said equipment may include approved microwave transmitters, with appropriate safeguards, as approved by the Racing Commission. (4-9-09)

b. Pari-mutuel terminals, pari-mutuel odds display, modems or switching units enabling pari-mutuel data transmissions, and data communication between the sending and the receiving racing associations. (4-9-09)

**03. Pari-Mutuel Inspector.** The Racing Commission will appoint at least one (1) state pari-mutuel inspector to monitor all approved simulcast facilities and may require additional pari-mutuel inspectors as is reasonably necessary for the protection of the public interest. The state pari-mutuel inspector, as well as a member or members of the Racing Commission, must: (4-9-09)

a. Be given free access to all of the books, papers and records of the simulcast operator's simulcast operations during normal business hours. (4-9-09)

b. Be empowered to direct the simulcast operator to adopt such rules and to install such methods and systems of operating the mutuel department as may be deemed reasonably necessary so as to ensure compliance with the law and the rules of the Racing Commission. (4-9-09)

c. The state pari-mutuel inspector must report to the Racing Commission any failure of the licensee to comply with the provision hereof or any violation of the law or any of the rules of the Racing Commission which may come to his attention, including in his reports, recommendations with respect to the revocation of the licenses of any employee of the simulcast operator for failure to comply with the rules of the Racing Commission, or for fraud, dishonesty, or incompetency. (4-9-09)

**04. Video Record.** Upon the request of the Racing Commission the simulcast operator must make its best effort to provide the Racing Commission with a copy of the simulcast race requested. (4-9-09)

**05. Test Program.** Not less than thirty (30) minutes prior to the commencement of transmission of the racing program for each day or night, the simulcast operator must initiate a test program of its transmitter,

encryption and decoding, and data communication to assure proper operation of the system. (4-9-09)

**06. Locations Listing.** At the request of any representative of the Racing Commission the Racing Association must provide a listing of all locations within this state enabled to receive the simulcast in decoded forms. Failure to do so is grounds for immediate summary suspension of license and immediate cessation of simulcasting activities. (4-9-09)

**07. Security.** The Racing Association must maintain such security controls over its uplink and communications system as directed by the Racing Commission. (4-9-09)

**08. Filing.** Every simulcast operator at the request of the Racing Commission must file an annual report of its simulcast operations, and an audited balance sheet and income statement prepared according to Generally Accepted Accounting Principles. (4-9-09)

**09. Compliance.** The simulcast operator must comply with Section 54-2512, Idaho Code. (4-9-09)

**041. PROHIBITION OF SIMULCAST SIGNAL.**

Pertaining to the simulcasting of greyhound racing, should substantial, competent evidence of cruelty to or misconduct in the treatment of greyhounds occur at a site under the jurisdiction of another state regulatory agency, the Racing Commission will prohibit the retransmission of any and all simulcast signals until appropriate action has been taken by the other state regulatory agency. (4-9-09)

**042. -- 044. (RESERVED)**

**045. DISTRIBUTION OF DEPOSITS.**

The Racing Commission will distribute deposits generated by simulcast races in accordance with the provisions of Section 54-2507 and 54-2513, Idaho Code, as applicable. (4-9-09)

**046. CONFLICT OF LAWS.**

In the event of a conflict between the laws of the host track and the laws or rules of the state of Idaho, the laws or rules of the state of Idaho will apply. (4-9-09)

**047. PARI-MUTUEL SYSTEM OF WAGERING REQUIRED FOR HISTORICAL RACING.**

The only wagering permitted on a historical horse race shall be under the pari-mutuel system of wagering. All systems of wagering other than pari-mutuel shall be prohibited. Any person participating or attempting to participate in prohibited wagering shall be subject to prosecution.

**048. TOTALIZATOR OR OTHER APPROVED EQUIPMENT REQUIRED.**

Pari-mutuel wagering on live and historical horse races shall only be conducted through the use of a totalizator or other similar mechanical equipment approved by the commission.

**049. HISTORICAL HORSE RACE LICENSING.**

**01. No Historical Horse Race Wagering Conducted Without a License.** Wagering on an historical horse race shall only be conducted by a licensee approved by the Commission.

**02. Historical Horse Race Horse Breed.** A licensee may conduct wagering on historical horse races of any horse breed regardless of the type of breed that primarily races in live meets, if any, conducted by the licensee.

**03. Approved Days and Hours.** A licensee may conduct wagering on historical races on any days and hours which is in conformity with local municipalities and approved by the commission.

**04. Cash or Cash Vouchers Only.** Historical horse racing terminals shall use cash or cash vouchers only.

**050. REQUIRED ELEMENTS OF HISTORICAL HORSE RACE WAGERING.**

**01. Approved Terminals.** A patron may only wager on an historical horse race on a terminal approved by the commission;

02. Terminal Chooses Race. Once a patron wagers an amount in the terminal offering wagering on an historical horse race, an historical horse race shall be chosen by the historical racing system;

03. Historical Race Are Unidentified. Prior to the patron making his or her wager selections, the terminal shall not display any information that would allow the patron to identify the historical race on which he or she is wagering, including the location of the race, the date on which the race was run, the names of the horses in the race, or the names of the jockeys that rode the horses in the race;

04. Past Performance Information. True and accurate past performance information on the historical horse race shall be made available to the patron prior to making his or her wager selections. The information shall be current as of the day the historical horse race was actually run. The information provided to the patron shall be displayed on the terminal in data and/or graphical form; and

05. Identity of Race Revealed After Wager Completion. After a patron finalizes his or her wager selections, the terminal shall display a video replay of the race, or a portion thereof, and the official results of the race. The identity of the race shall be revealed to the patron only after completion of the wager.

**050. REQUIRED ELEMENTS OF HISTORICAL HORSE RACE WAGERING.**

01. Terminals Located Only At Idaho Live Simulcast Facilities. Terminals offering wagering on historical horse races may be located at facilities located in Idaho where Live Simulcasting is authorized and approved by the Commission and the County Commission where such facilities are located, pursuant to Idaho Code 54-2512 (3)(4) and 54-2514A.

02. Terminals Located Only In Designated Areas. Terminals offering wagering on historical horse races shall be located within designated areas which have the prior written approval of the Commission. Designated areas shall be established in such a way as to control access by the general public and prevent entry by any patron who is under eighteen (18) years of age or is otherwise not permitted to place wagers.

03. Minors Not Permitted In Designated Areas. Each licensee shall monitor persons entering and leaving the designated areas and shall prevent access to any patron who is under eighteen (18) years of age or is otherwise not permitted to place wagers on historical horse races.

04. Notice To Minors Posted At Entrances. Every licensee shall keep a sign conspicuously posted over or near each entrance to any place from which persons under eighteen (18) years are herein restricted giving public notice of such fact.

05. ADA Access. Access to the Designated Area shall comply with the Americans with Disabilities Act (ADA).

06. Contact Information In Designated Areas. Contact information for a recognized problem gambling organization shall be made available to all patrons and posted in the designated areas.

051. – 055. (RESERVED)

**056. HISTORICAL HORSE RACE LICENSEES MUST MAINTAIN PROPER RECORDS.**

01. Complete Records. Each licensee authorized to offer Live Simulcasting and Historical Horse Racing shall maintain complete paper or electronic records of all pari-mutuel wagering transactions on live and historical horse races, including the amounts wagered at each betting window, self-service totalizator, mobile pari-mutuel teller, and terminals.

02. Record Archive Period. A copy of the wagering records shall be retained and safeguarded for a period of not less than two (2) years and shall not be destroyed without the prior written permission of the commission.

**057. HISTORICAL HORSE RACE EQUIPMENT.**

**01. Equipment Approved By Commission.** All Pari-Mutuel equipment utilized in the offering and transmitting of Historical Racing shall be approved by the Commission prior to accepting a wager.

**02. Terminal Breakdown and Patron Refund.** If there is a complete breakdown of a terminal offering wagering on an historical horse race, the licensee offering the wager shall make a full refund of the patron's balance on the terminal at the time of the breakdown, as verified by the historical racing system.

**03. Licensee May Not Change Or Modify.** A licensee shall not implement any change or modification to the practices, procedures, or locations upon which the approval was based without the prior written approval of the Commission or its designate.

**04. Proposed Designated Area Submitted To Commission.** A detailed description of the proposed designated area and the placement of terminals on which the pari-mutuel wagers will be made, including a drawing to scale of the proposed designated area which describes the size, construction, layout, capacity, number of terminals, and location of surveillance and other security equipment, and at least one (1) photograph of the designated area when construction is completed shall be submitted to the Commission as well as:

a. The manufacturer, make, and model of the terminal, including a copy of all literature supplied by the manufacturer of the terminal;

b. The maintenance and repair procedures that will ensure the integrity of the terminals; and

c. A complete list of individuals who are authorized to examine and repair the terminals for any reason.

**05. Commission May Require Terminal Testing.** The commission may require testing of each terminal used for wagering on historical horse races by an independent testing company to ensure its integrity and proper working order. The independent testing company shall be chosen by the Commission.

**06. Information Required for Display On Each Pari-Mutuel Wagering Pool.** Each terminal for wagering on an historical horse race shall display odds or pool amounts that the patron will receive (i.e. "will pays") for a winning wager on each pari-mutuel wagering pool.

**07. Licensee Shall Not Change Or Modify.** A licensee shall not implement any changes or modification to the practices, procedures, or representations upon which the approval of the Historical Horse Racing wagers was based without the prior written approval of the Commission.

047058.-- 999. (RESERVED)

Idaho Racing Commission Meeting  
April 10, 2013  
Meridian Idaho

PRESENT:

Chairman Paul J. Schneider  
Commissioner James C. Hammond  
Racing Administrator Frank Lamb  
Management Assistant ReBecca Bartunek  
Administrative Assistant Jocelyn Nash  
Deputy Attorney General Stephanie Altig  
Four members of the Public: Raeleen Welton (Westerberg & Assoc), Steve Rector (GLI), Tim Olson (GLI), Tim Thibert (Les Bois Park), Duayne Didericksen (Les Bois Park), Doug Okunuwicz (Greene Group)

PRESENT VIA PHONE:

Commissioner Fred H. Snook  
Don Knopf, Cassia County Fair  
Eric Wilson, Greene Group  
Jim Bernard, Sandy Downs

Item #1. Call to Order: Chairman Paul J Schneider called the meeting to order at 1:15 pm.

Item #2. Executive Session Pursuant to Idaho Code 67-2345 (1) (f). Hammond motioned to move to Executive Session. Snook seconded the motion. All voted in favor of motion. Motion carried.

Bartunek excused members of the public and signed off the conference phone. Bartunek dialed Snook on a private line. Schneider called the Executive Session to order at 1:18 pm.

Schneider ended the Executive Session at 1:31 pm.

Bartunek invited members of the public to join the meeting, and dialed in to the conference line once more. Altig was excused from the meeting. Snook rejoined the conference line, along with members of the public.

Item #3. Approve Meeting Minutes; July 11 & 25, 2012 and February 13, 2013. Hammond moved to approve meeting minutes. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #4. Gem County (Emmett) 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials

had been received and recommended Commission approve. Hammond motioned to approve the license application. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #5. Les Bois 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received except proof of Jockey insurance and recommended Commission approve the application contingent upon receiving proof of insurance. Hammond motioned to approve the license application contingent upon receiving proof of Jockey Insurance. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #6. Pocatello Downs 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received except proof of General Liability and Jockey insurance and recommended Commission approve the application contingent upon receiving proofs of insurance. Hammond motioned to approve the license application contingent upon receiving proofs of insurance. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #7. Jerome 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received except proof of General Liability insurance and recommended Commission approve the application contingent upon receiving proof of insurance. Hammond motioned to approve the license application contingent upon receiving proof of General Liability Insurance. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #8. Rupert Downs 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received except proof of Jockey insurance and recommended Commission approve the application contingent upon receiving proof of insurance. Hammond motioned to approve the license application contingent upon receiving proof of Jockey Insurance. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #9. Oneida County (Malad) 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received except proof of Jockey insurance and recommended Commission approve the application contingent upon receiving proof of insurance. Hammond motioned to approve the license application contingent upon receiving proof of Jockey Insurance. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #10. Cassia County (Burley) 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received and recommended Commission approve. Hammond motioned to approve the license application. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #11. Eastern Idaho Fair Board (Blackfoot) 2013 Live Meet License Application. Schneider asked Bartunek if the application was in order. Bartunek confirmed all application materials had been received except proof of Jockey insurance and recommended Commission approve the application contingent upon receiving proof of insurance. Hammond motioned to approve the license application contingent upon receiving proof of Jockey Insurance. Snook seconded the motion. All voted in favor of the motion. Motion carried.

Item #13. Funds for Idaho Equine Education Account. Lamb stated that the Commission had decided in the February 13, 2013 meeting to suspend payment of Equine Education funds. Since that time, the University of Idaho had provided a summary of expenditures to show how they have spent the funds, but that the summary provided was somewhat vague. Hammond moved to continue holding funds in suspense, and that the commission staff notify the University of Idaho that the Racing Commission expects to receive an application from their equine division detailing how funds would be spent if they are chosen to be the beneficiary of the Equine Fund. Snook seconded the motion. All voted in favor of the motion. Motion passed.

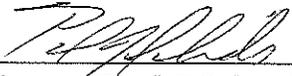
Item #14. Rules for Historical Racing. Schneider opened the floor to Lamb. Lamb explained that now that the Historical Racing bill was signed by the governor, the rules process starts, and that although there would be no discussion today about particulars, he was looking for direction from the Commission for whether to go through the temporary rules process or the negotiated rules process. Hammond moved to have Commission staff prepare temporary rules, and start the temporary and negotiated rules processes concurrently. Snook seconded the motion. All voted in favor of the motion. Motion passed.

Item #15. Approve 2013 Officials. Hammond moved to approve the 2013 officials. Snook seconded the motion. All voted in favor of the motion. Motion passed.

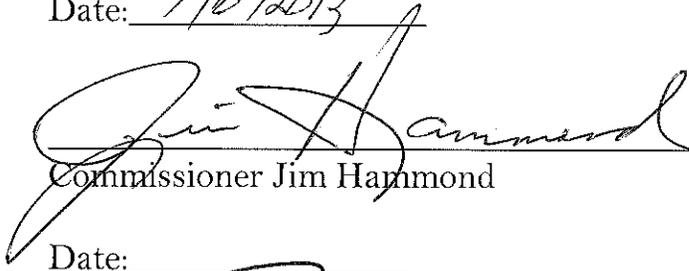
Item #16. Adjournment. Schneider adjourned the meeting at 2:06 pm.

# APPROVAL OF PREVIOUS MEETING MINUTES

Date of Minutes Approved: 04/10/2013

  
\_\_\_\_\_  
Chairman Paul J Schneider

Date: 7/16/2013

  
\_\_\_\_\_  
Commissioner Jim Hammond

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Commissioner Fred Snook

Date: 17/10/13