

CHAPTER 7873
MINNESOTA RACING COMMISSION
PARI-MUTUEL RULES

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7873.0100 APPLICATION FOR PARI-MUTUEL POOLS.

Subpart 1. **Submission of pari-mutuel requests.** A Class B or D licensee may apply for approval of pari-mutuel pools by submitting an original and 15 copies of the following:

- A. a signed request for approval of pari-mutuel pools,
- B. a statement of the precise nature and extent of the pools requested, including type of betting and placement in racing programs;
- C. a detailed statement of how the request meets each of the criteria in part 7873.0110, subpart 2; and
- D. any other documentation the licensee deems 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 pursuant to the following procedures:

- A. Upon receipt of an application, the commission shall send written notice of the application to all persons registered with the commission for the purpose of notification of approval of pari-mutuel pools, and all other Class B and D licensees. The notice must include a brief description of the request, a statement that all persons wishing to comment may do so in writing within 20 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 necessary to fully understand an application, the commission shall request the applicant or a person 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 30 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 persons 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.

Statutory Authority: *MS s 240.13; 240 23*

History: 9 SR 2527

7873.0110 APPROVAL OF PARI-MUTUEL POOLS.

Subpart 1. Request. Upon written request of a Class B or D licensee, or on its own motion, the commission may approve pari-mutuel pools, including types of betting, number and placement of multiple pools in racing programs, 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, 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 integrity of the licensee;
- B. the financial strength of the licensee;
- C. the ability of the licensee to operate a racetrack and conduct horse racing, including licensee's facilities, systems, policymakers, managers, and personnel;
- D. past compliance of the licensee with statutes, rules, and orders regarding pari-mutuel horse racing;
- E. the licensee's market, including area, population; and demographics;
- F. the performance of the racetrack with previously approved pari-mutuel pools;
- G. the impact approving the pari-mutuel pool will have on the economic viability of the racetrack, including attendance and pari-mutuel handle;
- H. the quantity and quality of economic activity and employment generated;
- I. state tax revenues from racing and related economic activity;
- J. the entertainment and recreation opportunities for Minnesota citizens;
- K. the variety of racing;
- L. the quality of racing;
- M. the availability and quality of horses;
- N. the development of horse racing;
- O. the quality of racetrack facilities;
- P. security;
- Q. purses;
- R. benefits to Minnesota breeders and horse owners;
- S. competition among racetracks and with other providers of entertainment and recreation as well as its effects;
- T. the social effects;
- U. community and government support;
- V. sentiment of horsepersons; and
- W. any factors related to pari-mutuel pools which the commission deems crucial to its decision-making, as long as the same factors are considered with regard to all racetracks.

Subp. 3. Limitation on pari-mutuel pools. The commission shall not approve a pari-mutuel pool in which a participant is required to select more than two horses in any race.

Statutory Authority: *MS s 240.13; 240 23*

History: 9 SR 2527

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7873.0120 PARI-MUTUEL BETTING.

In the event there is insufficient money available in a net pari-mutuel pool to return \$2.10 on each winning \$2 wager, the association conducting the pari-mutuel betting shall pay the deficiency from its share of the pool.

Statutory Authority: *MS s 240.13; 240.23*

History: 9 SR 2527

7873.0125 CALCULATION OF PAYOFFS.

Subpart 1. No money wagered on horse to win. If a horse wins and there is no money wagered on it to win, the win pool shall be apportioned among the holders of place tickets on that horse, if any; otherwise among holders of the show tickets on that horse.

Subp. 2. No money wagered on horse to place. If no money has been wagered to place on a horse which is placed first or second in a race, the place pool for that race shall be apportioned among the holders of the place tickets on the other horse which was placed first or second.

Subp. 3. No money wagered on horse to show. If no money has been wagered to show on a horse which has placed first, second, or third in a race, the show pool in that race shall be apportioned among the holders of show tickets on the other horses which are placed first, second, or third in that race.

Subp. 4. Failure of horses to finish in pools. If only two horses finish in any one race, the show pool shall be figured the same as the place pool and the money apportioned to holders of show tickets on the two finishing horses. If only one horse finishes in any one race, all three pools shall be figured separately as straight holders of the finishing horse. If no horse finishes the race, then the entire amount wagered in all pools shall be refunded to all ticket holders.

Subp. 5. Dead heats. If two horses finish in a dead heat for:

A. first, the pay-off price shall be figured as in a place pool;

B. second, the winner of the race receives its half share of the profits in that pool, and each of the two horses that dead heats for second receives one-half of the remaining half of the profits; or

C. third, the first and second horses each receive a normal one-third of the profits in that pool; and the two horses that dead heat for third, each receives one-half of the remaining third of the profits.

Subp. 6. Coupled entry finishing in the money. If two horses coupled in the betting as an "entry" or the "field" finish first and second, first and third, or second and third, the division of the net show pool shall be as follows: two-thirds of the net show pool shall be allotted to the pool of the entry and the remaining one-third to the other horse.

Subp. 7. Coupled entry in dead heat finishing in the money. If one horse of an entry or field finishes first or second and the other part of the same entry or field finishes in a dead heat for third with another horse, the division of the net show pool shall be as follows: one-half of the pool to the entry, one-third to the other first or second place finisher, and one-sixth to the horse finishing in the dead heat.

Subp. 8. Field or entry finishing first, second, and third. If the coupled entry or field horses finishes first, second, and third, the money in each pool goes to the entry or field tickets, no other tickets participating.

Statutory Authority: *MS s 240.13; 240.23*

History: 9 SR 2527

7873.0127 PARI-MUTUEL POOLS DEPENDENT ON ENTRIES.

Unless the commission approves a prior written request from an association to alter wagering opportunities for a specific race, each association must offer:

A. win, place, and show wagering on all scheduled races involving six or more betting interests;

B. if horses representing five betting interests are scheduled to start in a race, then the association may prohibit show wagering on that race; and

C. if horses representing four or fewer betting interests are scheduled to start in a race, then the association may prohibit place wagering, show wagering, or both on that race.

Where possible, the official program must contain a notice indicating races on which place wagering, show wagering, or both are not offered.

Statutory Authority: *MS s 240 24*

History: *10 SR 2161*

7873.0130 PREVENTION TO START.

In a thoroughbred or quarter horse race, if the doors in front of a stall in a mechanically or electronically operated starting gate should fail to open simultaneously with the other stall doors, thereby preventing a horse from obtaining a fair start when the starter dispatches the field, the following shall apply:

A. If any horse is so prevented from starting, the entire amount in the win, place, and show pools wagered on that horse shall be promptly refunded unless the horse finishes first, second, or third, in which case the horse shall be considered a starter for all pools in which the horse earned a placing and a non-starter in all other pools. However, there shall be no refund if the horse is part of a coupled entry or field.

B. In races on which multiple wagering is permitted, except on the second half of the daily double or pick six, if a horse is so prevented from starting, the entire amount wagered on any combination including that horse shall be promptly refunded.

C. If any horse or horses are so prevented from starting so that it would reduce the total number of starters below six, the following shall apply:

(1) if five starters of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool;

(2) if four or fewer horses of different betting interests leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

(3) if fewer than two horses of different betting interests leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

Statutory Authority: *MS s 240.13; 240 23; 240.24*

History: *9 SR 2527; 10 SR 2161*

7873.0140 FAILURE TO START.

After wagering has commenced on a race and prior to the race being run, should a horse or horses be scratched resulting in a field of less than six different betting interests, the following shall apply:

A. if five horses of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool;

B. if four or fewer horses of different betting interests will leave the stalls, the association may refund the entire amount wagered in the show pool, the place pool, or both; and

C. if fewer than two horses leave the stalls, the race must be canceled and the entire amount wagered in the win, place, and show pools must be promptly refunded.

In all cases, the association must, prior to the race being run, announce to the public its decision to cancel any pools.

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Statutory Authority: *MS s 240.13; 240.23, 240.24*

History: *9 SR 2527, 10 SR 2161*

7873.0150 SCRATCHES.

For all wagers other than the daily double or pick six, a refund at face value shall be made to all holders of pari-mutuel tickets on horses that have been withdrawn, dismissed, or have participated in a race in which no horse finished. No refund shall be made if the scratched, withdrawn, or dismissed horse is part of a coupled entry or field.

Statutory Authority: *MS s 240.13; 240.23.*

History: *9 SR 2527*

7873.0160 DAILY DOUBLE.

Subpart 1. **Scope.** The daily double wager combines two horses in two successive races, selecting the horses which will finish first in the official order of finish of each of the two races. The first of these races is designated as the first half of the daily double and the subsequent race the second half. All daily double wagers must be calculated in an entirely separate pool.

Subp. 2. **No winning combinations sold.** The following calculations shall be used when no winning daily double combinations are sold:

A. If no winning combination is sold, the total money is computed as a place pool with those who have picked the winner of the first half and those who have picked the winner of the second half participating in the pool.

B. If no ticket is sold on the winner of the second half, the entire pool is apportioned to holders of the tickets on the winner of the first half.

C. If no ticket is sold on the winner of the first half, the entire pool is apportioned to the holders of tickets on the winner of the second half participating in the pool.

D. If no tickets are sold containing the numbers of either winner, the pool shall be allotted to those having tickets on horses finishing next to the winners.

Subp. 3. **Dead heats.** If a dead heat should result in the first or second race of the daily double, the total pool is figured as a place pool.

Subp. 4. **Scratches from daily double before first half is run.** Should any horse or horses entered in the first or second half of the daily double be scratched, excused by the stewards, or prevented from racing before the first half of the daily double has been run, the money wagered on any horse or horses so scratched, excused, or prevented from racing shall be deducted from the daily double pool and refunded to the purchaser or purchasers of tickets on the horse or horses so scratched, excused, or prevented from racing.

Subp. 5. **Scratches in second half to result in consolation pool.** Should any horse be scratched, excused, or prevented from racing in the second half of the daily double, after the first half is official, all tickets combining the scratched horse with winner of first half of the daily double shall become consolation tickets and shall be paid a price per dollar denomination calculated as follows: The net daily double pool shall be divided by the total purchase price of all tickets combining the winner of the first half, and the quotient thus obtained shall be the price to be paid to holders of tickets combining the winner of the first half and the scratched or excused horse or horses in the second half. The entire consolation pool (number of eligible tickets times the consolation price) shall be deducted from the net daily double pool.

Subp. 6. **Announcement of payoff prices.** The possible payoff prices shall be posted or announced to the public before the start of the second half of the daily double.

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Statutory Authority: *MS s 240.13; 240.23*

History: *9 SR 2527*

7873.0170 QUINELLA.

Subpart 1. Scope. The winning quinella combination shall be the first two horses of separate betting interests to finish the race. The order in which the horses finish is immaterial. All tickets on the quinella must be calculated in an entirely separate pool.

Subp. 2. No winning combinations sold. The following calculations shall be used when no winning quinella combinations are sold:

A. If there are no tickets sold on the winning combinations in a quinella race, all quinella tickets bearing the number of the individual win horse and all quinella tickets bearing the number of the individual place horse shall be deemed winning tickets and the payoff shall be calculated as a place pool.

B. If there are no tickets sold on the winning combination in a quinella race and if there are no quinella tickets sold with the number of the individual win horse, all quinella tickets bearing the number of the individual place horse shall be deemed winning tickets and the payoff shall be calculated as a win pool.

C. If there are no tickets sold on the winning combination in a quinella race and if there are no quinella tickets sold bearing the number of the individual place horse, all quinella tickets bearing the number of the individual win horse shall be deemed winning tickets and the payoff shall be calculated as a win pool.

D. If there are no tickets sold on the winning combinations in a quinella race and if there are no quinella tickets sold bearing the number of the individual win horse and if there are no quinella tickets sold bearing the number of the individual place horse, the quinella shall be deemed "no race" and all money in the quinella pool shall be promptly refunded.

Subp. 3. If only one horse finishes, race declared "no race." If only one horse finishes in a quinella race, the quinella shall be deemed "no race" and all money in the quinella pool shall be promptly refunded.

Subp. 4. Dead heats. The following calculations shall be used in the event of dead heats.

A. If there is a two horse dead heat for win in a quinella race, the two horses involved in the dead heat shall be the winning quinella combination.

B. If a multiple dead heat for win results, all horses involved in the dead heat shall be the winning combinations. Example: if numbers 1, 3, 5, and 7 dead heat for win, the winning quinella combinations would be 1-3, 1-5, 1-7, 3-5, 3-7, and 5-7. The net pool, after deducting the amounts wagered on the winning combinations will be equally distributed in payoff calculations on the winning combinations.

C. If there is a two horse dead heat for place in a quinella race, the total pool is calculated as a place pool.

D. If a multiple dead heat for place results in a quinella race, all combinations coupling the winning horse with the individual place horses shall be winners of the quinella race and payoffs calculated accordingly.

Statutory Authority: *MS s 240.13, 240.23*

History: *9 SR 2527*

7873.0180 PERFECTA OR EXACTA.

Subpart 1. Scope. A perfecta or exacta wager combines two horses of separate betting interests in a single race, selecting the horse which will finish first and the horse which will finish second in that race in the official order of finish. All perfecta or exacta wagers must be calculated in a separate pool.

Subp. 2. No winning combination sold. If no ticket is sold on the winning

perfecta or exacta combination, the net pool shall be distributed equally among holders of tickets selecting the winning horse to finish first and holders of tickets selecting the second place horse to finish second.

Subp 3. **Dead heats.** The following calculations shall be used in the event of dead heats.

A. In case of a dead heat between two horses for first place, the net pool shall be calculated and distributed as a place pool to holders of tickets of the winning combination. Example: if numbers 2 and 5 dead heat for wm, the winning combination would be 2-5 and 5-2.

B. In case of a dead heat between two horses for second place, the pool shall be figured as a place pool, the holders of tickets combining the winning horse and the two horses finishing second participating in the payoff. Example: if number 2 wins with numbers 5 and 6 a dead heat for second, the winning combinations would be 2-5 and 2-6.

C. If there is a dead heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and distributed to those holding tickets on the other winning combination. Example: if number 2 won and numbers 5 and 6 were a dead heat for second, 2-5 and 2-6 would be the winning combination. However, if no ticket was sold with a 2-5 combination, the net pool would be distributed to holders of the 2-6 combination.

D. If no tickets combine the winning horse with either of the place horses in the dead heat, the pool shall be calculated and distributed as a place pool to holders of tickets representing any interest in the net pool. Example: if number 2 won and numbers 5 and 6 were a dead heat for second, 2-5 and 2-6 would be the winning combinations. However, if no ticket was sold with the 2-5 or 2-6 combination, the net pool would be distributed to holders of any ticket with 2 in the win position as part of the combination with any other number (2-1, 2-3, 2-4, 2-7, 2-8 of an eight horse field) and to holders of any ticket with 5 or 6 in the place position with any other number (1-5, 3-5, 4-5, 6-5, 7-5, 8-5, 1-6, 3-6, 4-6, 5-6, 7-6, 8-6 of an eight horse field).

Subp. 4. **Refund of pool.** A refund of the perfecta or exacta pool shall occur when:

A. No ticket is sold that would require distribution of a perfecta or exacta pool to winners as defined in this part.

B. Only one horse finishes in a perfecta or exacta race.

Statutory Authority: *MS s 240 13, 240 23*

History: *9 SR 2527*

7873.0190 PICK SIX.

Subpart 1. **Scope.** The pick six pari-mutuel pool is not a parlay and has no connection with or relation to any other pari-mutuel pool conducted by the association, nor to any win, place, and show pool shown on the totalizator, nor to the rules governing the distribution of such other pools.

Subp. 2. **Ticket is evidence of binding contract.** A pick six pari-mutuel ticket shall be evidence of a binding contract between the holder of the ticket and the association and the ticket shall constitute an acceptance of the pick six provisions and rules.

Subp. 3. **Pick six may be given distinctive name.** A pick six may be given a distinctive name by the association conducting the race meeting, subject to prior approval by the commission.

Subp. 4. **Pick six pool.** The pick six pari-mutuel pool consists of amounts contributed for a selection for win only in each of six races designated by the association with the approval of the commission. Each person purchasing a pick

six ticket shall designate the winning horse in each of the six races comprising the pick six.

Subp. 5. Coupled entries and fields. Those horses constituting an entry of coupled horses, or those horses coupled to constitute the mutuel field in a race comprising the pick six, shall race as a single wagering interest for the purpose of the pick six pari-mutuel pool calculations and payouts to the public. However, if any part of either an entry or the field racing as a single wagering interest is a starter in a race the entry or the field selection shall remain as the designated selection to win in that race for the pick six calculation and the selection shall not be deemed a scratch.

Subp. 6. Calculation of pool. The pick six pari-mutuel pool shall be calculated as follows:

A. One hundred percent of the net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of pari-mutuel tickets which correctly designate the official winner in each of the six races comprising the pick six.

B. In the event there is no pari-mutuel ticket properly issued which correctly designates the official winner in each of the six races comprising the pick six, 75 percent of the pari-mutuel pool shall not be distributed but shall be retained by the association as distributable amounts and shall be carried over and included in the pick six pari-mutuel pool for the next succeeding racing date as an additional net amount to be distributed. The remaining 25 percent shall be distributed among the holders of pick six tickets which correctly designate the most official winners of the six races comprising the pick six.

C. Should no distribution be made pursuant to item A on the last day of the association's meeting, then the entire distributable pool and all money accumulated in the pool shall be distributed to the holders of tickets correctly designating the most winning selections of the six races comprising the pick six for that day. If, for any reason, the final day of racing is canceled and the pick six pool has not been distributed, the pool shall be escrowed by the association, and the pool, as well as all accrued interest, shall be carried over and included in the pick six pari-mutuel pool for the next succeeding racing date of the same breed as an additional net amount to be distributed.

Subp. 7. Actual favorite substituted for scratched horse. In the event a pick six pari-mutuel ticket designates a selection in any one or more of the races comprising the pick six and that selection is scratched, excused, or determined by the stewards to be a nonstarter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the nonstarting selection for all purposes, including pool calculations and payoffs.

Subp. 8. Dead heats. In the event of a dead heat for win between two or more horses in any pick six race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

Subp. 9. Cancellation of race comprising pick six. In the event one or more of the races comprising the pick six is canceled for any reason, or in the event one or more of the races comprising the pick six is declared as no contest by the stewards, 75 percent of the pari-mutuel pool shall not be distributed but shall be retained by the association as distributable amounts and shall be carried over and included in the pick six pari-mutuel pool for the next succeeding racing date as an additional net amount to be distributed. The remaining 25 percent shall be distributed among the holders of pick six tickets which correctly designate the most official winners of the remaining races comprising the pick six.

Subp. 10. No pick six ticket to be exchanged or canceled. No pari-mutuel ticket for the pick six pool shall be sold, exchanged, or canceled after the time of the closing of wagering in the first of the six races comprising the pick six, except

for the refunds on pick six tickets as required by this part, and no person shall disclose the number of tickets sold in the pick six pool or the number or amount of tickets selecting winners of pick six races until such time as the stewards have declared "official" the last race comprising the pick six.

Statutory Authority: *MS s 240.13; 240.23*

History: *9 SR 2527*

7873.0200 "OFFICIAL" SIGN.

Any ruling of the stewards 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 240.13; 240.23*

History: *9 SR 2527*

7873.0210 LOST TICKETS.

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

Statutory Authority: *MS s 240.13; 240.23*

History: *9 SR 2527*

7873.0220 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 240.13; 240.23*

History: *9 SR 2527*

7873.0230 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 commission rules regarding the conduct of pari-mutuel wagering shall be available for public inspection during racing hours at every such window.

Statutory Authority: *MS s 240.13; 240.23*

History: *9 SR 2527*

7873.0240 TIP SHEETS.

Subpart 1. **Number 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 a commission representative at the 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 240.13; 240.23*

History: *9 SR 2527*

7873.0300 SIMULCAST WAGERING.

Subpart 1. **Request.** Upon written request of a Class B or Class D licensee, the commission shall approve wagering on races televised to Minnesota from another licensed racing jurisdiction. The request must be made not less than seven days prior to the race to be televised. The request must be accompanied by 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.

Subp. 2. **Approval.** All approved simulcast races must be conducted at the licensed racetrack on a racing day assigned to an association by the commission. Racing must be conducted on that racing day as defined by Minnesota Statutes, section 240.01, subdivision 10.

Subp. 3. **Pari-mutuel pools.** All takeout and taxes on simulcast pari-mutuel pools must be in accordance with Minnesota Statutes, section 240.15, subdivision 1, paragraph (a).

Subp. 4. **Purses.** An amount equal to five percent of all pools on televised races must be set aside to be used for purses pursuant to Minnesota Statutes, section 240.13, subdivision 5.

Subp. 5. **Compliance with laws.** In addition to all state laws and applicable rules of the commission, simulcast wagering must be in compliance with United States Code, title 15, section 3001, et seq.

Statutory Authority: *MS s 240.13; 240 23*

History: *9 SR 2527*

7873.0400 TELEPHONE ACCOUNT WAGERING.

Subpart 1. **Request.** Upon written request of a Class B or Class D licensee, the commission may approve telephone account wagering to be conducted on the premises of a licensed racetrack. The request must show how the telephone account wagering system will promote the success and integrity of racing, public interest, necessity, and convenience; and the impact on the economic viability of the applicant racetrack and all other racetracks licensed by the commission, including impact on pari-mutuel handle.

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

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

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

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

D. The association must use a totalizer system capable of recording all transactions conducted by the telephone account wagering system.

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

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

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

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

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

B. All wagering transactions must begin with the customer stating his or her code name and number. Thereafter, transactions shall be identified by the race number, the types and amounts of wagers, and by horse numbers. The information must be repeated by the pari-mutuel clerk and the customer's account balance must be given to the customer after each transaction.

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

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

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

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

Statutory Authority: *MS s 240.13; 240.23*

History: *9 SR 2527*

7873.0550 DISTRIBUTION OF PURSE MONEY.

Subpart 1. **Purse amounts.** Pursuant to Minnesota Statutes, section 240.13, subdivision 5, an amount equal to not less than five percent of all money in all pools must be allocated for purses by an association conducting horse racing. In making the distribution of purse money, an association must, to the extent possible, maintain purse amounts in proper relationship to actual pari-mutuel handles.

Subp. 2. **Adjustments to purses.** Should the levels of pari-mutuel handle create overpayment or underpayment of purses paid during the course of the race meeting, the association must make adjustments in each publication of its condition book to attempt to keep purses consistent with mutuel handles.

Subp. 3. **Overpayments carried over.** If, at the end of each race meeting, an overpayment of purses has occurred, the overpayment shall be carried over to the next race meeting of the same breed and such overpayment may be recovered by the association. The association must make its best effort to recover the overpayment on an even basis over the course of the race meeting to prevent serious inconsistencies in purse levels during the race meeting.

Subp. 4. **Underpayments carried over.** If, at the end of a race meeting, an underpayment of purses has occurred, the underpayment shall be carried over to the next race meeting of the same breed. Such underpayment must be paid to horse owners by adding the underpayment to purses. The association must make its best effort to repay the underpayment on an even basis over the course of the race meeting to prevent serious inconsistencies in purse levels during the race meeting.

Subp. 5. **Willful underpayment.** Should the commission determine that an association willfully failed to adjust purse levels in violation of subpart 1, for the purposes of retaining purse underpayments from one race meeting to the next, the association will be subject to disciplinary action by the commission.

Subp. 6. **Escrow accounts.** All money received by an association for races that charge nominating, sustaining, entry, or starting fees must be placed in interest bearing escrow accounts, and all accrued interest must be added to such races if:

A. the total fees received for such a race exceed \$15,000; or

B. fees are due and payable for such a race more than 180 days in advance of the advertised date of the running of the race.

Statutory Authority: *MS s 240.13 subd 5; 240.15 subd 2; 240.16 subds 4,5,6; 240.18; 240.23; 240.25 subd 4 cl (a)*

History: *10 SR 1908*