

CHAPTER 8  
WAGERING AND SIMULCASTING  
[Prior to 11/19/86, Racing Commission[693]]  
[Prior to 11/18/87, Racing and Gaming Division[195]]

**491—8.1(99D) Definitions.**

“*Administrator*” means the administrator or administrator’s designee of the Iowa racing and gaming commission.

“*Association*” means anyone conducting a licensed meet in Iowa.

“*Authorized receiver*” means a receiver that conducts and operates a pari-mutuel wagering system on the results of contests being held or conducted and simulcast from the enclosures of one or more host associations.

“*Betting interest*” means a number assigned to a single runner, an entry or a field for wagering purposes.

“*Board*” means the board of judges or the board of stewards.

“*Breakage*” means the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents. “*Breakage*” is the net pool minus payoff.

“*Commission*” means the Iowa racing and gaming commission.

“*Commission representative*” means an employee of the commission designated to represent them in matters pertaining to the operation of the mutuel department. In the absence of a specifically appointed representative, a commission steward will perform the functions and duties of the commission representative.

“*Contest*” means a race on which wagers are placed.

“*Dead heat*” means that two or more runners have tied at the finish line for the same position in the order of finish.

“*Double*” means a wager to select the winners of two consecutive races and is not a parlay and has no connection with or relation to any other pool conducted by the association and shall not be construed as a “quinella double.”

“*Entry*” means two or more runners are coupled in a contest because of common ties and a wager on one of them shall be a wager on all of them.

“*Exacta*” (may also be known as “perfecta” or “correcta”) means a wager selecting the exact order of finish for first and second in that contest and is not a parlay and has no connection with or relation to any other pool conducted by the association.

“*Field*” is when the individual runners competing in a contest exceed the numbering capacity of the totalizator and all runners of the higher number shall be grouped together. A wager on one in the field shall be a wager on all. (No “fields” shall be allowed in greyhound racing.)

“*Guest association*” means an association which offers licensed pari-mutuel wagering on contests conducted by another association (the host) in either the same state or another jurisdiction.

“*Host association*” means the association conducting a licensed pari-mutuel meeting from which authorized contests or entire performances are simulcast.

“*Interstate simulcasting*” means the telecast of live audio and visual signals of pari-mutuel racing sent to or received from a state outside the state of Iowa to an authorized racing or gaming facility for the purpose of wagering.

“*Intrastate simulcasting*” means the telecast of live audio and visual signals of pari-mutuel racing conducted on a licensed pari-mutuel track within Iowa sent to or received from an authorized pari-mutuel facility within Iowa for the purpose of pari-mutuel wagering.

“*Law*” or “*laws*” means the Iowa Code.

“*Minus pool*” is when the total amount of money to be returned to the public exceeds what is in the pool because of commission being deducted and the rule stipulation that no mutuel tickets shall be paid at less than \$1.10 for each \$1.00 wagered.

“*Mutuel department*” means that area of a racetrack where wagers are made and winning tickets are cashed; where the totalizator is installed and any area used directly in the operation of pari-mutuel wagering.

“*Mutuel manager*” means an employee of the association who manages the mutuel department.

“*Net pool*” means the amount remaining in each separate pari-mutuel pool after the takeout percentage, as provided for by Iowa Code section 99D.11, has been deducted.

“*No contest*” means that a specific race has been declared “no contest” by the stewards in accordance with the pari-mutuel rules and rules of racing for that breed and that certain pools shall be refunded.

“*Odds*” means the approximate payoffs per dollar based on win pool wagering only on each betting interest for finishing first without a dead heat with another betting interest.

“*Official*” means that the order of finish for the race is “official” and that payoff prices based upon the “official” order of finish shall be posted.

“*Order of finish*” means the finishing order of each runner from first place to last place in each race. For horse racing only, the order of finish may be changed by the stewards for a rule infraction prior to posting the “official order of finish.”

“*Overpayment*” is when the payoff to the public resulting from errors in calculating pools and errors occurring in the communication of payoffs results in more money returned to the public than is actually due.

“*Pari-mutuel output data*” means the data provided by the totalizator other than sales transaction data including, but not limited to, the odds, will pays, race results, and payoff prices.

“*Pari-mutuel pool*” means the total amount wagered on each separate pari-mutuel pool for payoff purposes.

“*Payoff*” means the amount distributed to holders of valid winning pari-mutuel tickets in each pool as determined by the official order of finish and includes the amount wagered and profit.

“*Pick (n)*” means a betting transaction in which a purchaser selects winner(s) of (x) number of contests designated by the association during one racing card.

“*Pick three*” means a wager to select the winners of three consecutive races and is not a parlay and has no connection with or relation to any other pool conducted by the association.

“*Place*” means a runner finishing second.

“*Place pick (n) pools*” means a wager to select the first- or second-place finisher in each of a designated number of contests.

“*Place pool*” means the total amount of money wagered on all betting interests in each race to finish first or second.

“*Post time*” is the scheduled starting time for a contest.

“*Profit split*” is a division of profit among separate winning betting interests or winning betting combinations resulting in two or more payoff prices.

“*Quinella*” means a wager selecting two runners to finish first and second, regardless of the order of finish, and is not a parlay and has no connection with or relation to any other pool conducted by the association.

“*Quinella double*” means a wager which consists of selecting the quinella in each of two designated contests and is an entirely separate pool from all other pools and has no connection with or relation to any other pool conducted by the association.

“*Runner*” means each entrant in a contest, designated by a number as a betting interest.

“*Sales transaction data*” means the data between totalizator ticket-issuing machines and the totalizator central processing unit for the purpose of accepting wagers and generating, canceling and cashing pari-mutuel tickets and the financial information resulting from processing sales transaction data, such as handle.

“*Show*” means a runner finishing third.

“*Show pool*” is the total amount of money wagered on all betting interests in each contest to finish either first, second or third.

“*State*” means the state of Iowa.

“*Stewards*” means the board of stewards or board of judges.

“*Superfecta*” means a wager selecting the exact order of finish for first, second, third, and fourth in that contest and is not a parlay and has no connection with or relation to any other pool conducted by the association.

“*Takeout percentage*” means the amount authorized by Iowa Code section 99D.11 to be deducted from each separate pari-mutuel pool.

“*Totalizator*” is a machine for registering wagers, computing odds and payoffs based upon data supplied by each pari-mutuel ticket-issuing machine.

“*Tote board*” means the board that is used to display to the public the winning approximate odds or approximate payoffs on runner, payoffs, and other pertinent information directly related to a contest.

“*Trifecta*” means a wager selecting the exact order of finish for first, second, and third in that race and is not a parlay and has no connection with or relation to any other pool conducted by the association.

“*Tri-superfecta*” means a wager selecting the exact order of finish for first, second and third in the first designated tri-super contest combined with selecting the exact order of finish for first, second, third and fourth in the second designated tri-super contest.

“*Twin quinella*” means a wager in which the bettor selects the first two finishers, regardless of order, in each of two designated contests. Each winning ticket for the twin quinella must be exchanged for a free ticket on the second twin quinella contest in order to remain eligible for the second-half twin quinella pool.

“*Twin superfecta*” means a wager in which the bettor selects the first four finishers, in their exact order, in each of two designated contests. Each winning ticket for the first twin superfecta contest must be exchanged for a free ticket on the second twin superfecta contest in order to remain eligible for the second-half twin superfecta pool.

“*Twin trifecta*” means a wager in which the bettor selects the three runners that will finish first, second, and third in the exact order as officially posted in each of the two designated twin trifecta races.

“*Underpayment*” is when the payoff to the public resulting from errors in calculating pools and errors occurring in the communication in payoffs results in less money returned to the public than is actually due.

“*Win*” means a runner finishing first.

“*Win pool*” means the total amount wagered on all betting interests in each contest to finish first.

#### **491—8.2(99D) General.**

**8.2(1) *Wagering.*** Each association shall conduct wagering in accordance with applicable laws and these rules. Such wagering shall employ a pari-mutuel system approved by the commission. The totalizator shall be tested prior to and during the meeting as required by the commission. All systems of wagering other than pari-mutuel, such as bookmaking and auction-pool selling, are prohibited and any person attempting to participate in prohibited wagering shall be ejected or excluded from association grounds.

**8.2(2) *Records.*** The association shall maintain records of all wagering so the commission may review such records for any contest including the opening line, subsequent odds fluctuation, the amount and at which window wagers were placed on any betting interest and such other information as may be required. Such wagering records shall be retained by each association and safeguarded for a period of time specified by the commission. The commission may require that certain of these records be made available to the wagering public at the completion of each contest.

The association shall provide the commission with a list of the licensed individuals afforded access to pari-mutuel records and equipment at the wagering facility.

**8.2(3) *Pari-mutuel tickets.*** A pari-mutuel ticket is evidence of a contribution to the pari-mutuel pool operated by the association and is evidence of the obligation of the association to pay to the holder thereof such portion of the distributable amount of the pari-mutuel pool as is represented by such valid pari-mutuel ticket. The association shall cash all valid winning tickets when such are presented for payment during the course of the meeting where sold, and for a specified period after the last day of the meeting, as provided in paragraph 8.2(4)“g.”

a. To be deemed a valid pari-mutuel ticket, such ticket shall have been issued by a pari-mutuel ticket machine operated by the association and recorded as a ticket entitled to a share of the pari-mutuel pool, and contain imprinted information as to:

- (1) The name of the association operating the meeting.
- (2) A unique identifying number or code.
- (3) Identification of the terminal at which the ticket was issued.
- (4) A designation of the performance for which the wagering transaction was issued.
- (5) The contest number for which the pool is conducted.
- (6) The type(s) of wagers represented.
- (7) The number(s) representing the betting interests for which the wager is recorded.
- (8) The amount(s) of the contributions to the pari-mutuel pool or pools for which the ticket is evidence.

b. No pari-mutuel ticket recorded or reported as previously paid, canceled, or nonexistent shall be deemed a valid pari-mutuel ticket by the association. The association may withhold payment and refuse to cash any pari-mutuel ticket deemed not valid, except as provided in paragraph 8.2(4) "e."

**8.2(4) *Pari-mutuel ticket sales.***

a. Pari-mutuel tickets shall not be sold by anyone other than an association licensed to conduct pari-mutuel wagering.

b. No pari-mutuel ticket may be sold on a contest for which wagering has already been closed and no association shall be responsible for ticket sales entered into but not completed by issuance of a ticket before the totalizator is closed for wagering on such contest.

c. Claims pertaining to a mistake on an issued or unissued ticket must be made by the bettor prior to leaving the seller's window.

d. Payment on winning pari-mutuel wagers shall be made on the basis of the order of finish as purposely posted and declared "official." Any subsequent change in the order of finish or award of purse money(s) as may result from a subsequent ruling by the stewards or administrator shall in no way affect the pari-mutuel payoff. If an error in the posted order of finish or payoff figures is discovered, the official order of finish or payoff prices may be corrected and an announcement concerning the change shall be made to the public.

e. The association shall not satisfy claims on lost, mutilated, or altered pari-mutuel tickets without authorization from the administrator.

f. The association shall have no obligation to enter a wager into a betting pool if unable to do so due to equipment failure.

g. Payment on valid pari-mutuel tickets shall be made only upon presentation and surrender to the association where the wager was made within 60 days following the close of the meet during which the wager was made. Failure to present any such ticket within 60 days shall constitute a waiver of the right to receive payment.

**8.2(5) *Advance performance wagering.*** No association shall permit wagering to begin more than one hour before scheduled post time of the first contest of a performance unless it has first obtained the authorization of the administrator.

**8.2(6) *Claims for payment from pari-mutuel pool.*** At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by the association in any case where the association has withheld payment or has refused to cash a pari-mutuel wager. The claim shall be made on such form as approved by the administrator, and the claimant shall make such claim under penalty of perjury. The original of such claim shall be forwarded to the administrator within 48 hours.

a. In the case of a claim made for payment of a mutilated pari-mutuel ticket which does not contain the total imprinted elements required in paragraph 8.2(3) "a" of these general provisions, the association shall make a recommendation to accompany the claim forwarded to the administrator as to whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

b. In the case of a claim made for payment on a pari-mutuel wager, the administrator shall adjudicate the claim and may order payment thereon from the pari-mutuel pool or by the association, or may deny the claim, or may make such other order as the administrator may deem proper.

**8.2(7) *Payment for errors.*** If an error occurs in the payment amounts for pari-mutuel wagers which are cashed or entitled to be cashed; and as a result of such error the pari-mutuel pool involved in the error is not correctly distributed among winning ticket holders, the following shall apply:

*a.* Verification is required to show that the amount of the commission, the amount in breakage, and the amount in payoffs are equal to the total gross pool. If the amount of the pool is more than the amount used to calculate the payoff, the underpayment shall be added to the corresponding pool of the next contest. If an underpayment is discovered after the close of the meeting, the underpayment shall be held in an interest-bearing account approved by the administrator until being added, together with accrued interest, to the corresponding pool of the next meet.

*b.* Any claim not filed with the association within 30 days, inclusive of the date on which the underpayment was publicly announced, shall be deemed waived; and the association shall have no further liability therefor.

*c.* In the event the error results in an overpayment to winning wagers, the association shall be responsible for such payment.

**8.2(8) *Betting explanation.*** A summary explanation of pari-mutuel wagering and each type of betting pool offered shall be published in the program for every wagering performance. The rules of racing relative to each type of pari-mutuel pool offered must be prominently displayed on association grounds and available upon request through association representatives.

**8.2(9) *Display of betting information.***

*a.* Approximate odds for win pool betting shall be posted on display devices within view of the wagering public and updated at intervals of not more than 90 seconds.

*b.* The probable payoff or amounts wagered, in total and on each betting interest, for other pools may be displayed to the wagering public at intervals and in a manner approved by the administrator.

*c.* Official results and payoffs must be displayed upon each contest being declared official.

**8.2(10) *Canceled contests.*** If a contest is canceled or declared “no contest,” refunds shall be granted on valid wagers in accordance with these rules.

**8.2(11) *Refunds.***

*a.* Notwithstanding other provisions of these rules, refunds of the entire pool shall be made on:

(1) Win pools, exacta pools, and first-half double pools offered in contests in which the number of betting interests has been reduced to fewer than two.

(2) Place pools, quinella pools, trifecta pools, first-half quinella double pools, first-half twin quinella pools, first-half twin trifecta pools, and first-half tri-superfecta pools offered in contests in which the number of betting interests has been reduced to fewer than three.

(3) Show pools, superfecta pools, and first-half twin superfecta pools offered in contests in which the number of betting interests has been reduced to fewer than four.

*b.* Authorized refunds shall be paid upon presentation and surrender of the affected pari-mutuel ticket.

**8.2(12) *Coupled entries and mutuel fields.***

*a.* Contestants coupled in wagering as a coupled entry or mutuel field shall be considered part of a single betting interest for the purpose of price calculations and distribution of pools. Should any contestant in a coupled entry or mutuel field be officially withdrawn or scratched, the remaining contestants in that coupled entry or mutuel field shall remain valid betting interests and no refunds will be granted. If all contestants within a coupled entry or mutuel field are scratched, then tickets on such betting interests shall be refunded, notwithstanding other provisions of these rules.

*b.* For the purpose of price calculations only, coupled entries and mutuel fields shall be calculated as a single finisher, using the finishing position of the leading contestant in that coupled entry or mutuel field to determine order of placing. This rule shall apply to all circumstances, including situations involving a dead heat, except as otherwise provided by these rules.

**8.2(13) *Pools dependent upon betting interests.*** Unless the administrator otherwise provides, at the time the pools are opened for wagering, the association:

*a.* May offer win, place, and show wagering on all contests with six or more betting interests.

b. May be allowed to prohibit show wagering on any contest with five or fewer betting interests scheduled to start.

c. May be allowed to prohibit place wagering on any contest with four or fewer betting interests scheduled to start.

d. May be allowed to prohibit quinella wagering on any contest with three or fewer betting interests scheduled to start.

e. May be allowed to prohibit quinella double wagering on any contests with three or fewer betting interests scheduled to start.

f. May be allowed to prohibit exacta wagering on any contest with three or fewer betting interests scheduled to start.

g. Shall prohibit trifecta wagering on any contest with five or fewer betting interests scheduled to start, or as provided in (1) below:

(1) Cancel trifecta. The stewards have the authority to cancel trifecta wagering at any time they determine an irregular pattern of wagering or determine that the conduct of the race would not be in the interest of the regulation of the pari-mutuel wagering industry or in the public confidence in racing. The stewards may approve smaller fields for trifecta wagering if extraneous circumstances are shown by the licensee.

(2) Reserved.

h. May prohibit superfecta wagering on any contest with seven or fewer betting interests scheduled to start.

i. May be allowed to prohibit twin quinella wagering on any contests with three or fewer betting interests scheduled to start.

j. May prohibit twin trifecta wagering on any contests with seven or fewer betting interests scheduled to start, except as provided in 8.2(13)“g”(1).

k. May prohibit tri-superfecta wagering on any contests with seven or fewer betting interests scheduled to start.

l. May prohibit twin superfecta wagering on any contests with seven or fewer betting interests scheduled to start.

**8.2(14) *Prior approval required for betting pools.***

a. An association that desires to offer new forms of wagering must apply in writing to the administrator and receive written approval prior to implementing the new betting pool.

b. The association may suspend previously approved forms of wagering with the prior approval of the administrator. Any carryover shall be held until the suspended form of wagering is reinstated. An association may request approval of a form of wagering or separate wagering pool for specific requirements.

**8.2(15) *Closing of wagering in a contest.***

a. A commission representative shall close wagering for each contest after which time no pari-mutuel tickets shall be sold for that contest. All wagering shall stop and all pari-mutuel machines shall be locked at post time or at the actual start of the races. Machines shall be automatically locked by the stewards, unless unusual circumstances dictate the stewards to act differently.

b. The association shall maintain, in good order, a system approved by the administrator for closing wagering.

**8.2(16) *Complaints pertaining to pari-mutuel operations.***

a. When a patron makes a complaint regarding the pari-mutuel department to an association, the association shall immediately issue a complaint report, setting out:

- (1) The name of the complainant;
- (2) The nature of the complaint;
- (3) The name of the persons, if any, against whom the complaint was made;
- (4) The date of the complaint;
- (5) The action taken or proposed to be taken, if any, by the association.

b. The association shall submit every complaint report to the commission within five days after the complaint was made.

**8.2(17) Licensed employees.** All licensees shall report any known irregularities or wrongdoings by any person involving pari-mutuel wagering immediately to the administrator and cooperate in subsequent investigations.

**8.2(18) Unrestricted access.** The association shall permit the commission unrestricted access at all times to its facilities and equipment and to all books, ledgers, accounts, documents and records of the association that relate to pari-mutuel wagering.

**8.2(19) Totalizator breakdown.** In the event of irreparable breakdown of the totalizator during the wagering on a race, the wagering on that race shall be declared closed and the payoff shall be computed on the sums wagered in each pool up to the time of the breakdown.

**8.2(20) Minimum wager and payoff.** The minimum wager to be accepted by any licensed association for win, place and show wagering shall be \$2. The minimum payoff on a \$2 wager shall be \$2.20. For all other wagers, the minimum wager to be accepted by any licensed association shall be \$1. The minimum payoff for a \$1 wager shall be \$1.10. Any deviation from this must be approved by the administrator. In cases where a minus pool occurs, the association is responsible for the payment of the minimum payoff and no breakage shall be incurred from that pari-mutuel pool.

**8.2(21) Minors prohibited from wagering.** No minor shall be permitted by any licensed association to purchase or cash a pari-mutuel ticket.

**8.2(22) Emergency situations.** In the event of an emergency in connection with the pari-mutuel department not covered in these rules, the pari-mutuel manager representing the association shall report the problem to the stewards and the association and the stewards shall render a full report to the administrator within 48 hours.

**8.2(23) Commission mutuel supervisor.** The commission may employ a mutuel supervisor with accounting experience to serve as the commission's designated representative at each race meeting as provided in Iowa Code section 99D.19. In the absence of a specifically appointed commission mutuel supervisor, the board of stewards or simulcast steward will perform the functions and duties of the commission.

#### **491—8.3(99D) Calculation of payoffs and distribution of pools.**

**8.3(1) Pools permitted.** All permitted pari-mutuel wagering pools shall be separately and independently calculated and distributed. The pari-mutuel wagering pools permitted in this state shall be for win, place, show, double, exacta, trifecta, tri-super, twin-trifecta, superfecta, quinella, quinella double, twin quinella, pick (3), and pick (n), place pick (n), each with separate and independent calculation and distribution. Takeout shall be deducted from each gross pool as stipulated by Iowa Code section 99D.11. The remainder of the moneys in the pool shall constitute the net pool for distribution as payoff on winning wagers.

*a.* For each wagering pool, the amount wagered on the winning betting interest or betting combinations is deducted from the net pool to determine the profit; the profit is then divided by the amount wagered on the winning betting interest or combinations, such quotient being the profit per dollar.

*b.* Either the standard or net price calculation procedure may be used to calculate single commission pools, while the net price calculation procedure must be used to calculate multicommission pools.

(1) Standard price calculation procedure.

**SINGLE PRICE POOL (WIN POOL)**

Gross pool	=	sum of wagers on all betting interests – refunds
Takeout	=	gross pool × percent takeout
Net pool	=	gross pool – takeout
Profit	=	net pool – gross amount bet on winner
Profit per dollar	=	profit/gross amount bet on winner
\$1 unbroken price	=	profit per dollar + \$1
\$1 broken price	=	\$1 unbroken price rounded down to the break point
Total payout	=	\$1 broken price × gross amount bet on winner
Total breakage	=	net pool – total payout

**PROFIT SPLIT (PLACE POOL)**

Profit is net pool less gross amount bet on all place finishers. Finishers split profit  $\frac{1}{2}$  and  $\frac{1}{2}$  (place profit), then divide by gross amount bet on each place finisher for two unique prices.

**PROFIT SPLIT (SHOW POOL)**

Profit is net pool less gross amount bet on all show finishers. Finishers split profit  $\frac{1}{3}$  and  $\frac{1}{3}$  and  $\frac{1}{3}$  (show profit), then divide by gross amount bet on each show finisher for three unique prices.

(2) Net price calculation procedure.

**SINGLE PRICE POOL (WIN POOL)**

Gross pool	=	sum of wagers on all betting interests – refunds
Takeout	=	gross pool × percent takeout
For each source:		
Net pool	=	gross pool – takeout
Net bet on winner	=	gross amount bet on winner × (1 percent takeout)
Total net pool	=	sum of all sources net pools
Total net bet on winner	=	sum of all sources net bet on winner
Total profit	=	total net pool – total net bet on winner
Profit per dollar	=	total profit/total net bet on winner
\$1 unbroken base price	=	profit per dollar + \$1
For each source:		
\$1 unbroken price	=	\$1 unbroken base price × (1 percent takeout)
\$1 broken price	=	\$1 unbroken price rounded down to the break point
Total payout	=	\$1 broken price × gross amount bet on winner
Total breakage	=	net pool – total payout

**PROFIT SPLIT (PLACE POOL)**

Total profit is the total net pool less the total net amount bet on all place finishers. Finishers split total profit  $\frac{1}{2}$  and  $\frac{1}{2}$  (place profit), then divide by total net amount bet on each place finisher for two unique unbroken base prices.

**PROFIT SPLIT (SHOW POOL)**

Total profit is the total net pool less the total net amount bet on all show finishers. Finishers split total profit  $\frac{1}{3}$  and  $\frac{1}{3}$  and  $\frac{1}{3}$  (show profit), then divide by total net amount bet on each show finisher for three unique unbroken base prices.

*c.* If a profit split results in only one covered winning betting interest or combination, it shall be calculated the same as a single-price pool.

*d.* Minimum payoffs and the method used for calculating breakage shall be established by the administrator.



e. The individual pools outlined in these rules may be given alternative names by each association, provided prior approval is obtained from the administrator.

**8.3(2) Win pools.**

a. The amount wagered on the betting interest which finishes first is deducted from the net pool, the balance remaining being the profit; the profit is divided by the amount wagered on the betting interest finishing first, such quotient being the profit-per-dollar wagered to win on that betting interest.

b. The net win pool shall be distributed as a single-price pool to winning wagers in the following precedence, based upon the official order of finish:

- (1) To those whose selection finished first; but if there are no such wagers, then
- (2) To those whose selection finished second; but if there are no such wagers, then
- (3) To those whose selection finished third; but if there are no such wagers, then
- (4) The entire pool shall be refunded on win wagers for that contest.

c. If there is a dead heat for first involving:

(1) Contestants representing the same betting interest, the win pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the win pool shall be distributed as a profit split.

**Table 1: WIN POOL  
(Standard Price Calculation)**

Sum of wagers on all betting interests =	\$194,230.00
Refunds =	\$1,317.00
Gross pool:	
Sum of wagers on all betting interests – refunds =	\$192,913.00
(\$194,230.00 – \$1,317.00)	
Percent takeout =	18%
Takeout: Gross pool × percent takeout =	\$34,724.34
(\$192,913.00 × 18%)	
Net pool:	
Gross pool – takeout =	\$158,188.66
(\$192,913.00 – \$34,724.34)	
Gross amount bet on winner =	\$23,872.00
Profit:	
Net pool – gross amount bet on winner =	\$134,316.66
(\$158,188.66 – \$23,872.00)	
Profit per dollar:	
Profit/gross amount bet on winner =	\$5.6265357
(\$134,316.66/\$23,872.00)	
\$1 unbroken price:	
Profit per dollar + \$1 =	\$6.6265357
(\$5.6265357 + \$1)	
Round off to nearest \$0.05 =	\$0.0265357
\$1 broken price:	
\$1 unbroken price – round off to nearest \$1.10 =	\$6.60

Total payout:	
\$1 broken price × gross amount bet on winner =	\$157,555.20
(\$6.60 × \$23,872.00)	
Total breakage:	
Net pool – total payout =	\$633.46
(\$158,188.66 – \$157,555.20)	
\$2 broken price:	
\$1 broken price × 2 =	\$13.20
(\$6.60 × 2)	

### 8.3(3) Place pools.

a. The amounts wagered to place on the first two betting interests to finish are deducted from the net pool, the balance remaining being the profit; the profit is divided into two equal portions, one being assigned to each winning betting interest and divided by the amount wagered to place on that betting interest, the resulting quotient being profit per dollar wagered to place on that betting interest.

b. The net place pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) If contestants of a coupled entry or mutuel field finished in the first two places, as a single-price pool to those who selected the coupled entry or mutuel field; otherwise

(2) As a profit split to those whose selection is included within the first two finishers; but if there are no such wagers on one of those two finishers, then

(3) As a single-price pool to those who selected the one covered betting interest included within the first two finishers; but if there are no such wagers, then

(4) As a single-price pool to those who selected the third-place finisher; but if there are no such wagers, then

(5) The entire pool shall be refunded on place wagers for that contest.

c. If there is a dead heat for first involving:

(1) Contestants representing the same betting interest, the place pool shall be distributed as a single-price pool.

(2) Contestants representing two or more betting interests, the place pool shall be distributed as a profit split.

d. If there is a dead heat for second involving:

(1) Contestants representing the same betting interest, the place pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the place pool is divided with one-half of the profit distributed to place wagers on the betting interest finishing first and the remainder is distributed equally among place wagers on those betting interests involved in the dead heat for second.

**Table 2: PLACE POOL  
(Standard Price Calculation)**

Sum of wagers on all betting interests =	\$194,230.00
Refunds =	\$1,317.00
Gross pool:	
Sum of wagers on all betting interests – refunds =	\$192,913.00
Percent takeout =	18%
Takeout: Gross pool × percent takeout =	\$34,724.34
Net pool:	
Gross pool – takeout =	\$158,188.66
Gross amount bet on 1st place finisher =	\$23,872.00

Gross amount bet on 2nd place finisher =	\$12,500.00
Profit:	
Net pool – gross amount bet on 1st place finisher	
– gross amount bet on 2nd place finisher =	\$121,816.66
Place profit:	
Profit/2 =	\$60,908.33
Profit per dollar for 1st place:	
Place profit/gross amount bet on 1st place finisher =	\$2.5514548
\$1 unbroken price for 1st place:	
Profit per dollar for 1st place + \$1 =	\$3.5514548
Profit per dollar for 2nd place:	
Place profit/gross amount bet on 2nd place finisher =	\$4.8726664
\$1 unbroken price for 2nd place:	
Profit per dollar for 2nd place + \$1 =	\$5.8726664

**8.3(4) Show pools.**

*a.* The amounts wagered to show on the first three betting interests to finish are deducted from the net pool, the balance remaining being the profit; the profit is divided into three equal portions, one being assigned to each winning betting interest and divided by the amount wagered to show on that betting interest, the resulting quotient being the profit per dollar wagered to show on that betting interest.

*b.* The net show pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) If contestants of a coupled entry or mutuel field finished in the first three places, as a single price pool to those who selected the coupled entry or mutuel field; otherwise

(2) If contestants of a coupled entry or mutuel field finished as two of the first three finishers, the profit is divided with two-thirds distributed to those who selected the coupled entry or mutuel field and one-third distributed to those who selected the other betting interest included within the first three finishers; otherwise

(3) As a profit split to those whose selection is included within the first three finishers; but if there are no such wagers on one of those finishers, then

(4) As a profit split to those who selected one of the two covered betting interests included within the first three finishers; but if there are no such wagers on two of those three finishers, then

(5) As a single-price pool to those who selected the one covered betting interest included within the first three finishers; but if there are no such wagers, then

(6) As a single-price pool to those who selected the fourth-place finisher; but if there are no such wagers, then

(7) The entire pool shall be refunded on show wagers for that contest.

*c.* If there is a dead heat for first involving:

(1) Two contestants representing the same betting interest, the profit is divided with two-thirds distributed to those who selected the first-place finishers and one-third distributed to those who selected the betting interest finishing third.

(2) Three contestants representing a single betting interest, the show pool shall be distributed as a single-price pool.

(3) Contestants representing two or more betting interests, the show pool shall be distributed as a profit split.

*d.* If there is a dead heat for second involving:

(1) Contestants representing the same betting interest, the profit is divided with one-third distributed to those who selected the betting interest finishing first and two-thirds distributed to those who selected the second-place finishers.

(2) Contestants representing two betting interests, the show pool shall be distributed as a profit split.

(3) Contestants representing three betting interests, the show pool is divided with one-third of the profit distributed to show wagers on the betting interest finishing first and the remainder is distributed equally among show wagers on those betting interests involved in the dead heat for second.

*e.* If there is a dead heat for third involving:

(1) Contestants representing the same betting interest, the show pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the show pool is divided with two-thirds of the profit distributed to show wagers on the betting interests finishing first and second and the remainder is distributed equally among show wagers on those betting interests involved in the dead heat for third.

**Table 3: SHOW POOL  
(Standard Price Calculation)**

Sum of wagers on all betting interests =	\$194,230.00
Refunds =	\$1,317.00
Gross pool:	
Sum of wagers on all betting interests – refunds =	\$192,913.00
Percent takeout =	18%
Takeout:	
Gross pool × percent takeout =	\$34,724.34
Net pool:	
Gross pool – takeout =	\$158,188.66
Gross amount bet on 1st place finisher =	\$23,872.00
Gross amount bet on 2nd place finisher =	\$12,500.00
Gross amount bet on 3rd place finisher =	\$4,408.00
Profit:	
Net pool – gross amount bet on 1st place finisher	
– gross amount bet on 2nd place finisher	
– gross amount bet on 3rd place finisher =	\$117,408.66
Show profit:	
Profit/3 =	\$39,136.22
Profit per dollar for 1st place:	
Show profit/gross amount bet on 1st place finisher =	\$1.6394194
\$1 unbroken price for 1st place:	
Profit per dollar for 1st place + \$1 =	\$2.6394194
Profit per dollar for 2nd place:	
Show profit/gross amount bet on 2nd place finisher =	\$3.1308976
\$1 unbroken price for 2nd place:	
Profit per dollar for 2nd place + \$1 =	\$4.1308976
Profit per dollar for 3rd place:	
Show profit/gross amount bet on 3rd place finisher =	\$8.8784528
\$1 unbroken price for 3rd place:	
Profit per dollar for 3rd place + \$1 =	\$9.8784528

**Table 4: SHOW POOL**  
**Single Takeout Rate & Single Betting Source**  
**(Single Price Calculation)**

Sum of wagers on all betting interests =	\$194,230.00
Refunds =	\$1,317.00
Gross pool:	
Sum of wagers on all betting interests – refunds =	\$192,913.00
Takeout:	
Gross pool × percent takeout =	\$34,724.34
Percent takeout =	18%
Total net pool:	
Gross pool – takeout =	\$158,188.66
Gross amount bet on 1st place finisher =	\$23,872.00
Net amount bet on 1st place finisher =	\$19,575.04
Gross amount bet on 2nd place finisher =	\$12,500.00
Net amount bet on 2nd place finisher =	\$10,250.00
Gross amount bet on 3rd place finisher =	\$4,408.00
Net amount bet on 3rd place finisher =	\$3,614.56
Total net bet on winners:	
Net amount bet on 1st place finisher +	
Net amount bet on 2nd place finisher +	
Net amount bet on 3rd place finisher =	\$33,439.60
Total profit:	
Total net pool – total net bet on winners =	\$124,749.06
Show profit:	
Total profit/3 =	\$41,583.02
Profit per dollar for 1st place:	
Show profit/net amount bet on 1st place finisher =	\$2.1242879
\$1 unbroken base price for 1st place:	
Profit per dollar for 1st place + \$1 =	\$3.1242879
\$1 unbroken price for 1st place:	
\$1 unbroken base price for 1st place ×	
(1 percent takeout) =	\$2.5619161
Profit per dollar for 2nd place:	
Show profit/net amount bet on 2nd place finisher =	\$.0568800
\$1 unbroken base price for 2nd place:	
Profit per dollar for 2nd place + \$1 =	\$5.0568800
\$1 unbroken price for 2nd place:	
\$1 unbroken base price for 2nd place ×	
(1 percent takeout) =	\$4.1466416
Profit per dollar for 3rd place:	
Show profit/net amount bet on 3rd place finisher =	\$11.504310
\$1 unbroken base price for 3rd place:	
Profit per dollar for 3rd place + \$1 =	\$12.504310
\$1 unbroken price for 3rd place:	
\$1 unbroken base price for 3rd place ×	
(1 percent takeout) =	\$10.253534

**8.3(5) Double pools.**

- a. The double requires selection of the first-place finisher in each of two specified contests.
- b. The net double pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:
  - (1) As a single-price pool to those whose selection finished first in each of the two contests; but if there are no such wagers, then

(2) As a profit split to those who selected the first-place finisher in either of the two contests; but if there are no such wagers, then

(3) As a single-price pool to those who selected the one covered first-place finisher in either contest; but if there are no such wagers, then

(4) As a single-price pool to those whose selection finished second in each of the two contests; but if there are no such wagers, then

(5) The entire pool shall be refunded on double wagers for those contests.

*c.* If there is a dead heat for first in either of the two contests involving:

(1) Contestants representing the same betting interest, the double pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the double pool shall be distributed as a profit split if there is more than one covered winning combination.

*d.* Should a betting interest in the first half of the double be scratched prior to the first double contest being declared official, all money wagered on combinations including the scratched betting interest shall be deducted from the double pool and refunded.

*e.* Should a betting interest in the second half of the double be scratched prior to the close of wagering on the first double contest, all money wagered on combinations including the scratched betting interest shall be deducted from the double pool and refunded.

*f.* Should a betting interest in the second half of the double be scratched after the close of wagering on the first double contest, all wagers combining the winner of the first contest with the scratched betting interest in the second contest shall be allocated a consolation payoff. In calculating the consolation payoff the net double pool shall be divided by the total amount wagered on the winner of the first contest and an unbroken consolation price obtained. The broken consolation price is multiplied by the dollar value of wagers on the winner of the first contest combined with the scratched betting interest to obtain the consolation payoff. Breakage is not declared in this calculation. The consolation payoff is deducted from the net double pool before calculation and distribution of the winning double payoff. Dead heats including separate betting interests in the first contest shall result in a consolation payoff calculated as a profit split.

*g.* If either of the double contests is canceled prior to the first double contest, or the first double contest is declared "no contest," the entire double pool shall be refunded on double wagers for those contests.

*h.* If the second double contest is canceled or declared "no contest," after the conclusion of the first double contest, the net double pool shall be distributed as a single-price pool to wagers selecting the winner of the first double contest. In the event of a dead heat involving separate betting interests, the net double pool shall be distributed as a profit split.

**Table 5: DOUBLE POOL  
(Standard Price Calculation)**

Sum of wagers on all betting interests =	\$194,230.00
Refunds =	\$1,317.00
Gross pool:	
Sum of wagers on all betting interests – refunds =	\$192,913.00
Percent takeout =	18%
Takeout:	
Gross pool × percent takeout =	\$34,724.34
Net pool:	
Gross pool – takeout =	\$158,188.66
Gross amount bet on winning combination =	\$23,872.00
Profit:	
Net pool – gross amount bet on winning combination =	\$134,316.66
Profit per dollar:	
Profit/gross amount bet on winning combination =	\$5.6265357
\$1 unbroken price:	
Profit per dollar + \$1 =	\$6.6265357

**Table 6: DOUBLE POOL  
CONSOLATION PRICING**

Sum of wagers on all betting interests =	\$194,230.00
Refunds =	\$1,317.00
Gross pool:	
Sum of wagers on all betting interests – refunds =	\$192,913.00
Percent takeout =	18%
Takeout:	
Gross pool × percent takeout =	\$34,724.34
Net pool:	
Gross pool – takeout =	\$158,188.66
Consolation pool:	
Sum total amount bet on winner of the first contest with all second contest betting interests =	\$43,321.00
\$1 consolation unbroken consolation price:	
Net pool/consolation pool =	\$3.6515468
\$1 consolation broken price =	\$3.65
Amount bet on winner of the first contest with scratched betting interests:	\$1,234.00
Consolation liability:	
\$1 consolation broken price × (amount bet on the winner of the first contest with scratched betting interests) =	\$4,504.10
Adjusted net pool:	
Net pool – consolation liability =	\$153,684.56
Gross amount bet on the winning combination =	\$23,872.00
Profit:	
Adjusted net pool – gross amount bet on the winning combination =	\$129,812.56
Profit per dollar:	
Profit/gross amount bet on the winning combination =	\$5.4378586
\$1 unbroken price:	
Profit per dollar + \$1 =	\$6.4378586

**8.3(6) Pick three pools.**

- a. The pick three requires selection of the first-place finisher in each of three specified contests.
- b. The net pick three pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:
  - (1) As a single-price pool to those whose selection finished first in each of the three contests; but if there are no such wagers, then
  - (2) As a single-price pool to those who selected the first-place finisher in any two of the three contests; but if there are no such wagers, then
  - (3) As a single-price pool to those who selected the first-place finisher in any one of the three contests; but if there are no such wagers, then
  - (4) The entire pool shall be refunded on pick three wagers for those contests.
- c. If there is a dead heat for first in any of the three contests involving:
  - (1) Contestants representing the same betting interest, the pick three pool shall be distributed as if no dead heat occurred.
  - (2) Contestants representing two or more betting interests, the pick three pool shall be distributed as a single-price pool with each winning wager receiving an equal share of the profit.
- d. Should a betting interest in any of the three pick three contests be scratched, the actual favorite, as evidenced by total amounts wagered in the win pool at the close of wagering on that contest, shall be substituted for the scratched betting interest for all purposes, including pool calculations. In the event that the win-pool total for two or more favorites is identical, the substitute selection shall be the betting interest with the lowest program number. The totalizator shall produce reports showing each of the wagering combinations with substituted betting interests which became winners as a result of the substitution, in addition to the normal winning combination.
- e. If all three pick three contests are canceled or declared "no contest," the entire pool shall be refunded on pick three wagers for those contests.
- f. If one or two of the pick three contests are canceled or declared "no contest," the pick three pool will remain valid and shall be distributed in accordance with 8.3(6) "b."

**8.3(7) Pick (n) pool.**

- a. The pick (n) requires selection of the first-place finisher in each of a designated number of contests. The association must obtain written approval from the administrator concerning the scheduling of pick (n) contests, the designation of one of the methods prescribed in 8.3(7) "b," and the amount of any cap to be set on the carryover. Any changes to the approved pick (n) format require prior approval from the administrator.
- b. The pick (n) pool shall be apportioned under one of the following methods:
  - (1) Method 1, pick (n) with carryover. The net pick (n) pool and carryover, if any, shall be distributed as a single-price pool to those who selected the first-place finisher in each of the pick (n) contests, based upon the official order of finish. If there are no such wagers, then a designated percentage of the net pool shall be distributed as a single-price pool of those who selected the first-place finisher in the greatest number of pick (n) contests; and the remainder shall be added to the carryover.
  - (2) Method 2, pick (n) with minor pool and carryover. The major share of the net pick (n) pool and the carryover, if any, shall be distributed to those who selected the first-place finisher in each of the pick (n) contests, based upon the official order of finish. The minor share of the net pick (n) pool shall be distributed to those who selected the first-place finisher in the second greatest number of pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first-place finisher of all pick (n) contests, the minor share of the net pick (n) pool shall be distributed as a single-price pool to those who selected the first-place finisher in the greatest number of pick (n) contests; and the major share shall be added to the carryover.
  - (3) Method 3, pick (n) with no minor pool and no carryover. The net pick (n) pool shall be distributed as a single-price pool to those who selected the first-place finisher in the greatest number of pick (n) contests, based upon the official order of finish. If there are no winning wagers, the pool is refunded.



(4) Method 4, pick (n) with minor pool and no carryover. The major share of the net pick (n) pool shall be distributed to those who selected the first-place finisher in the greatest number of pick (n) contests, based upon the official order of finish. The minor share of the net pick (n) pool shall be distributed to those who selected the first-place finisher in the second greatest number of pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first-place finisher in a second greatest number of pick (n) contests, the minor share of the net pick (n) pool shall be combined with the major share for distribution as a single-price pool to those who selected the first-place finisher in the greatest number of pick (n) contests. If the greatest number of first-place finishers selected is one, the major and minor shares are combined for distribution as a single-price pool. If there are no winning wagers, the pool is refunded.

(5) Method 5, pick (n) with minor pool and no carryover. The major share of net pick (n) pool shall be distributed to those who selected the first-place finisher in each of the pick (n) contests, based upon the official order of finish. The minor share of the net pick (n) pool shall be distributed to those who selected the first-place finisher in the second greatest number of pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first-place finisher in all pick (n) contests, the entire net pick (n) pool shall be distributed as a single-price pool to those who selected the first-place finisher in the greatest number of pick (n) contests. If there are no wagers selecting the first-place finisher in a second greatest number of pick (n) contests, the minor share of the net pick (n) pool shall be combined with the major share for distribution as a single-price pool to those who selected the first-place finisher in each of the pick (n) contests. If there are no winning wagers, the pool is refunded.

*c.* If there is a dead heat for first in any of the pick (n) contests involving:

(1) Contestants representing the same betting interest, the pick (n) pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the pick (n) pool shall be distributed as a single-price pool with each winning wager receiving an equal share of the profit.

*d.* Should a betting interest in any of the pick (n) contests be scratched, the actual favorite, as evidenced by total amounts wagered in the win pool at the host association for the contest at the close of wagering on that contest, shall be substituted for the scratched betting interest for all purposes, including pool calculations. In the event that the win pool total for two or more favorites is identical, the substitute selection shall be the betting interest with the lowest program number. The totalizator shall produce reports showing each of the wagering combinations with substituted betting interests which became winners as a result of the substitution, in addition to the normal winning combination.

*e.* The pick (n) pool shall be canceled and all pick (n) wagers for the individual performance shall be refunded if:

(1) At least two contests included as part of the pick three are canceled or declared "no contest."

(2) At least three contests included as part of a pick four, pick five, or pick six are canceled or declared "no contest."

(3) At least four contests included as part of a pick seven, pick eight, or pick nine are canceled or declared "no contest."

(4) At least five contests included as part of a pick ten are canceled or declared "no contest."

*f.* If at least one contest included as part of a pick (n) is canceled or declared "no contest," but not more than the number specified in 8.3(7) "e," the net pool shall be distributed as a single-price pool to those whose selection finished first in the greatest number of pick (n) contests for that performance. Such distribution shall include the portion ordinarily retained for the pick (n) carryover but not the carryover from previous performances.

*g.* The pick (n) carryover may be capped at a designated level approved by the administrator so that if, at the close of any performance, the amount in the pick (n) carryover equals or exceeds the designated cap, the pick (n) carryover will be frozen until it is won or distributed under other provisions of this rule. After the pick (n) carryover is frozen, 100 percent of the net pool, part of which ordinarily would be added to the pick (n) carryover, shall be distributed to those whose selection finished first in the greatest number of pick (n) contests for that performance.

*h.* A written request for permission to distribute the pick (n) carryover on a specific performance may be submitted to the administrator. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.

*i.* Should the pick (n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first-place finisher in each of the pick (n) contests, the entire pool shall be distributed as a single-price pool to those whose selection finished first in the greatest number of pick (n) contests. The pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

- (1) Upon written approval from the administrator as provided in 8.3(7) "h."
- (2) Upon written approval from the administrator when there is a change in the carryover cap, a change from one type of pick (n) wagering to another, or when the pick (n) is discontinued.
- (3) On the closing performance of the meet or split meet.

*j.* If, for any reason, the pick (n) carryover must be carried over to the corresponding pick (n) pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the administrator. The pick (n) carryover plus accrued interest shall then be added to the net pick (n) pool of the following meet on a date and performance so designated by the administrator.

*k.* With the written approval of the administrator, the association may contribute to the pick (n) carryover a sum of money up to the amount of any designated cap.

*l.* Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is strictly prohibited, unless permission has been granted by the administrator. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.

*m.* The association may suspend previously approved pick (n) wagering with the prior approval of the administrator. Any carryover shall be held until the suspended pick (n) wagering is reinstated. An association may request approval of a pick (n) wager or separate wagering pool for specific performances.

**Table 7: PICK SEVEN POOL**  
**Multiple Takeout Rates & Multiple Betting Sources**  
**(Net Price Calculation)**

	<b>Percent Takeout</b>	<b>Gross Pool</b>	<b>Gross Amt. Bet on Win.</b>	<b>Net Pool</b>	<b>Net Amt. Bet on Win.</b>
Source 1:	16%	\$190,000.00	\$ 44.00	\$159,600.00	\$ 36.96
Source 2:	18.5%	\$ 10,000.00	\$ 18.00	\$ 8,150.00	\$ 14.67
Source 3:	21%	\$525,730.00	\$124.00	\$415,326.70	\$ 97.96
TOTALS:		\$725,730.00	\$186.00	\$583,076.70	\$149.59
Total profit:					
Total net pool – total net bet on the winning combination =					\$ 582,927.11
Profit per dollar:					
Total profit/total net bet on the winning combination =					\$ 3,896.8321
\$1 unbroken base price:					
Profit per dollar + \$1 =					\$ 3,897.8321
\$1 unbroken price for source 1:					
\$1 unbroken base price × (1 – percent takeout) =					\$ 3,274.1789
\$1 unbroken price for source 2:					
\$1 unbroken base price × (1 – percent takeout) =					\$ 3,176.7331
\$1 unbroken price for source 3:					
\$1 unbroken base price × (1 – percent takeout) =					\$ 3,079.2873

**8.3(8) Place pick (n) pools.**

*a.* The place pick (n) requires selection of the first- or second-place finisher in each of a designated number of contests. The association must obtain written approval from the administrator concerning the

scheduling of place pick (n) contests, the designation of one of the methods prescribed in 8.3(8) "b," the distinctive name identifying the pool and the amount of any cap to be set on the carryover. Any changes to the approved place pick (n) format require prior approval from the administrator.

b. The place pick (n) pool shall be apportioned under one of the following methods:

(1) Method 1, pick (n) with carryover. The net place pick (n) pool and carryover, if any, shall be distributed as a single-price pool to those who selected the first- or second-place finisher in each of the place pick (n) contests, based upon the official order of finish. If there are no such wagers, then a designated percentage of the net pool shall be distributed as a single-price pool of those who selected the first- or second-place finisher in the greatest number of place pick (n) contests; and the remainder shall be added to the carryover.

(2) Method 2, place pick (n) with minor pool and carryover. The major share of the net place pick (n) pool and the carryover, if any, shall be distributed to those who selected the first- or second-place finisher in each of the place pick (n) contests, based upon the official order of finish. The minor share of the net place pick (n) pool shall be distributed to those who selected the first- or second-place finisher in the second greatest number of place pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first- or second-place finisher of all place pick (n) contests, the minor share of the net place pick (n) pool shall be distributed as a single-price pool to those who selected the first- or second-place finisher in the greatest number of place pick (n) contests; and the major share shall be added to the carryover.

(3) Method 3, place pick (n) with no minor pool and no carryover. The net place pick (n) pool shall be distributed as a single-price pool to those who selected the first- or second-place finisher in the greatest number of place pick (n) contests, based upon the official order of finish. If there are no winning wagers, the pool is refunded.

(4) Method 4, place pick (n) with minor pool and no carryover. The major share of the net place pick (n) pool shall be distributed to those who selected the first- or second-place finisher in the greatest number of place pick (n) contests, based upon the official order of finish. The minor share of the net place pick (n) pool shall be distributed to those who selected the first- or second-place finisher in the second greatest number of place pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first- or second-place finisher in a second greatest number of place pick (n) contests, the minor share of the net place pick (n) pool shall be combined with the major share for distribution as a single-price pool to those who selected the first- or second-place finisher in the greatest number of place pick (n) contests. If the greatest number of first- or second-place finishers selected is one, the major and minor shares are combined for distribution as a single-price pool. If there are no winning wagers, the pool is refunded.

(5) Method 5, place pick (n) with minor pool and no carryover. The major share of net place pick (n) pool shall be distributed to those who selected the first- or second-place finisher in each of the place pick (n) contests, based upon the official order of finish. The minor share of the net place pick (n) pool shall be distributed to those who selected the first- or second-place finisher in the second greatest number of place pick (n) contests, based upon the official order of finish. If there are no wagers selecting the first- or second-place finisher in all place pick (n) contests, the entire net place pick (n) pool shall be distributed as a single-price pool to those who selected the first- or second-place finisher in the greatest number of place pick (n) contests. If there are no wagers selecting the first- or second-place finisher in a second greatest number of place pick (n) contests, the minor share of the net place pick (n) pool shall be combined with the major share for distribution as a single-price pool to those who selected the first-place finisher in each of the place pick (n) contests. If there are no winning wagers, the pool is refunded.

c. If there is a dead heat for first in any of the place pick (n) contests involving:

(1) Contestants representing the same betting interest, the place pick (n) pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the place pick (n) pool shall be distributed as a single-price pool with each winning wager including each betting interest participating in the dead heat.

d. If there is a dead heat for second in any of the place pick (n) contests involving:

(1) Contestants representing the same betting interest, the place pick (n) pool shall be distributed as if no dead heat occurred.

(2) Contestants representing two or more betting interests, the place pick (n) pool shall be distributed as a single-price pool with a winning wager including the betting interest which finished first or any betting interest involved in the dead heat for second.

*e.* Should a betting interest in any of the place pick (n) contests be scratched, the actual favorite, as evidenced by total amounts wagered in the win pool at the host association for the contest at the close of wagering on that contest, shall be substituted for the scratched betting interest for all purposes, including pool calculations. In the event that the win pool total for two or more favorites is identical, the substitute selection shall be the betting interest with the lowest program number. The totalizator shall produce reports showing each of the wagering combinations with substituted betting interests which became winners as a result of the substitution, in addition to the normal winning combination.

*f.* The place pick (n) pool shall be canceled and all place pick (n) wagers for the individual performance shall be refunded if:

(1) At least two contests included as part of a pick three are canceled or declared “no contest.”

(2) At least three contests included as part of a pick four, pick five, or pick six are canceled or declared “no contest.”

(3) At least four contests included as part of a pick seven, pick eight, or pick nine are canceled or declared “no contest.”

(4) At least five contests included as part of a pick ten are canceled or declared “no contest.”

*g.* If at least one contest included as part of a place pick (n) is canceled or declared “no contest,” but not more than the number specified in 8.3(8) “*f.*,” the net pool shall be distributed as a single-price pool to those whose selection finished first or second in the greatest number of place pick (n) contests for that performance. Such distribution shall include the portion ordinarily retained for the place pick (n) carryover but not the carryover from previous performances.

*h.* The place pick (n) carryover may be capped at a designated level approved by the administrator so that if, at the close of any performance, the amount in the place pick (n) carryover equals or exceeds the designated cap, the place pick (n) carryover will be frozen until it is won or distributed under other provisions of this subrule. After the place pick (n) carryover is frozen, 100 percent of the net pool, part of which ordinarily would be added to the place pick (n) carryover, shall be distributed to those whose selection finished first or second in the greatest number of place pick (n) contests for that performance.

*i.* A written request for permission to distribute the place pick (n) carryover on a specific performance may be submitted to the administrator. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.

*j.* Should the place pick (n) carryover be designated for distribution on a specified date and performance in which there are no wagers selecting the first- or second-place finisher in each of the place pick (n) contests, the entire pool shall be distributed as a single-price pool to those whose selection finished first or second in the greatest number of place pick (n) contests. The place pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

(1) Upon written approval from the administrator as provided in 8.3(8) “*i.*”

(2) Upon written approval from the administrator when there is a change in the carryover cap, a change from one type of place pick (n) wagering to another, or when the place pick (n) is discontinued.

(3) On the closing performance of the meet or split meet.

*k.* If, for any reason, the place pick (n) carryover must be carried over to the corresponding place pick (n) pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the administrator. The place pick (n) carryover plus accrued interest shall then be added to the net place pick (n) pool of the following meet on a date and performance so designated by the administrator.

*l.* With the written approval of the administrator, the association may contribute to the place pick (n) carryover a sum of money up to the amount of any designated cap.

*m.* Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is strictly prohibited, unless permission has been granted by the administrator. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.

*n.* The association may suspend previously approved place pick (n) wagering with the prior approval of the administrator. Any carryover shall be held until the suspended place pick (n) wagering is reinstated. An association may request approval of a place pick (n) wager or separate wagering pool for specific performances.

**8.3(9) *Quinella pools.***

*a.* The quinella requires selection of the first two finishers, irrespective of order, for a single contest.

*b.* The net quinella pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) If contestants of a coupled entry or mutuel field finish as the first two finishers, as a single-price pool to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish; otherwise

(2) As a single-price pool to those whose combination finished as the first two betting interests; but if there are no such wagers, then

(3) As a profit split to those whose combination included either the first- or second-place finisher; but if there are no such wagers on one of those two finishers, then

(4) As a single-price pool to those whose combination included the one covered betting interest included within the first two finishers; but if there are no such wagers, then

(5) The entire pool shall be refunded on quinella wagers for that contest.

*c.* If there is a dead heat for first involving:

(1) Contestants representing the same betting interest, the quinella pool shall be distributed to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish.

(2) Contestants representing two betting interests, the quinella pool shall be distributed as if no dead heat occurred.

(3) Contestants representing three or more betting interests, the quinella pool shall be distributed as a profit split.

*d.* If there is a dead heat for second involving contestants representing the same betting interest, the quinella pool shall be distributed as if no dead heat occurred.

*e.* If there is a dead heat for second involving contestants representing two or more betting interests, the quinella pool shall be distributed to wagers in the following precedence, based upon the official order of finish:

(1) As a profit split to those combining the winner with any of the betting interests involved in the dead heat for second; but if there is only one combination covered, then

(2) As a single-price pool to those combining the winner with the one covered betting interest involved in the dead heat for second; but if there are no such wagers, then

(3) As a profit split to those combining the betting interests involved in the dead heat for second; but if there are no such wagers, then

(4) As a profit split to those whose combination included the winner and any other betting interest and wagers selecting any of the betting interests involved in the dead heat for second; but if there are no such wagers, then

(5) The entire pool shall be refunded on quinella wagers for that contest.

**8.3(10) *Quinella double pools.***

*a.* The quinella double requires selection of the first two finishers, irrespective of order, in each of two specified contests.

*b.* The net quinella double pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) If a coupled entry or mutuel field finishes as the first two contestants in either contest, as a single-price pool to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish for that contest, as well as the first two finishers in the alternate quinella double contest; otherwise

(2) As a single-price pool to those who selected the first two finishers in each of the two quinella double contests; but if there are no such wagers, then

(3) As a profit split to those who selected the first two finishers in either of the two quinella double contests; but if there are no such wagers on one of the contests, then

(4) As a single-price pool to those who selected the first two finishers in the one covered quinella double contest; but if there are no such wagers, then

(5) The entire pool shall be refunded on quinella double wagers for those contests.

*c.* If there is a dead heat for first in either of the two quinella double contests involving:

(1) Contestants representing the same betting interest, the quinella double pool shall be distributed to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish for that contest.

(2) Contestants representing two betting interests, the quinella double pool shall be distributed as if no dead heat occurred.

(3) Contestants representing three or more betting interests, the quinella double pool shall be distributed as a profit split.

*d.* If there is a dead heat for second in either of the quinella double contests involving contestants representing the same betting interest, the quinella double pool shall be distributed as if no dead heat occurred.

*e.* If there is a dead heat for second in either of the quinella double contests involving contestants representing two or more betting interests, the quinella double pool shall be distributed as profit split.

*f.* Should a betting interest in the first half of the quinella double be scratched prior to the first quinella double contest being declared official, all money wagered on combinations including the scratched betting interest shall be deducted from the quinella double pool and refunded.

*g.* Should a betting interest in the second half of the quinella double be scratched prior to the close of wagering on the first quinella double contest, all money wagered on combinations including the scratched betting interest shall be deducted from the quinella double pool and refunded.

*h.* Should a betting interest in the second half of the quinella double be scratched after the close of wagering on the first quinella double contest, all wagers combining the winning combination in the first contest with a combination including the scratched betting interest in the second contest shall be allocated a consolation payoff. In calculating the consolation payoff, the net quinella double pool shall be divided by the total amount wagered on the winning combination in the first contest and an unbroken consolation price obtained. The unbroken consolation price is multiplied by the dollar value of wagers on the winning combination in the first contest combined with a combination including the scratched betting interest in the second contest to obtain the consolation payoff. Breakage is not declared in this calculation. The consolation payoff is deducted from the net quinella double pool before calculation and distribution of the winning quinella double payoff. In the event of a dead heat involving separate betting interests, the net quinella double pool shall be distributed as a profit split.

*i.* If either of the quinella double contests is canceled prior to the first quinella double contest, or the first quinella double contest is declared "no contest," the entire quinella double pool shall be refunded on quinella double wagers for those contests.

*j.* If the second quinella double contest is canceled or declared "no contest" after the conclusion of the first quinella double contest, the net quinella double pool shall be distributed as a single-price pool to wagers selecting the winning combination in the first quinella double contest. If there are no wagers selecting the winning combination in the first quinella double contest, the entire quinella double pool shall be refunded on quinella double wagers for those contests.

**8.3(11) *Exacta pools.***

*a.* The exacta requires selection of the first two finishers, in their exact order, for a single contest.

*b.* The net exacta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) If contestants of a coupled entry or mutuel field finish as the first two finishers, as a single-price pool to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish; otherwise

(2) As a single-price pool to those whose combination finished in correct sequence as the first two betting interests; but if there are no such wagers, then

(3) As a profit split to those whose combination included either the first-place betting interest to finish first or the second-place betting interest to finish second; but if there are no such wagers on one of those two finishers, then

(4) As a single-price pool to those whose combination included the one covered betting interest to finish first or second in the correct sequence; but if there are no such wagers, then

(5) The entire pool shall be refunded on exacta wagers for that contest.

*c.* If there is a dead heat for first involving:

(1) Contestants representing the same betting interest, the exacta pool shall be distributed as a single-price pool to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish.

(2) Contestants representing two or more betting interests, the exacta pool shall be distributed as a profit split.

*d.* If there is a dead heat for second involving contestants representing the same betting interest, the exacta pool shall be distributed as if no dead heat occurred.

*e.* If there is a dead heat for second involving contestants representing two or more betting interests, the exacta pool shall be distributed to ticket holders in the following precedence, based upon the official order of finish:

(1) As a profit split to those combining the first-place betting interest with any of the betting interests involved in the dead heat for second; but if there is only one covered combination, then

(2) As a single-price pool to those combining the first-place betting interest with the one covered betting interest involved in the dead heat for second; but if there are no such wagers, then

(3) As a profit split to those wagers correctly selecting the winner for first place and those wagers selecting any of the dead-heated betting interests for second place; but if there are no such wagers, then

(4) The entire pool shall be refunded on exacta wagers for that contest.

**8.3(12) Trifecta pools.**

*a.* The trifecta requires selection of the first three finishers, in their exact order, for a single contest.

*b.* The net trifecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) As a single-price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers, then

(2) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then

(3) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then

(4) The entire pool shall be refunded on trifecta wagers for that contest.

*c.* If less than three betting interests finish and the contest is declared official, payoffs will be made based upon the order of finish of those betting interests completing the contest. The balance of any selection beyond the number of betting interests completing the contest shall be ignored.

*d.* If there is a dead heat for first involving:

(1) Contestants representing three or more betting interests, all of the wagering combinations selecting three or more betting interests which correspond with any of the betting interests involved in the dead heat shall share in a profit split.

(2) Contestants representing two betting interests, both of the wagering combinations selecting the two dead-heated betting interests, irrespective of order, along with the third-place betting interest shall share in a profit split.

*e.* If there is a dead heat for second, all of the combinations correctly selecting the winner combined with any of the betting interests involved in the dead heat for second shall share in a profit split.

*f.* If there is a dead heat for third, all wagering combinations correctly selecting the first two finishers, in correct sequence, along with any of the betting interests involved in the dead heat for third shall share in a profit split.

*g.* Coupled entries and mutuel fields shall be allowed in trifecta contests.

*h.* Rescinded IAB 10/18/00, effective 11/22/00.

**8.3(13) Superfecta pools.**

*a.* The superfecta requires selection of the first four finishers, in their exact order, for a single contest.

*b.* The net superfecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish:

(1) As a single-price pool to those whose combination finished in correct sequence as the first four betting interests; but if there are no such wagers, then

(2) As a single-price pool to those whose combination included, in correct sequence, the first three betting interests; but if there are no such wagers, then

(3) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then

(4) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then

(5) The entire pool shall be refunded on superfecta wagers for that contest.

*c.* If less than four betting interests finish and the contest is declared official, payoffs will be made based upon the order of finish of those betting interests completing the contest. The balance of any selection beyond the number of betting interests completing the contest shall be ignored.

*d.* If there is a dead heat for first involving:

(1) Contestants representing four or more betting interests, all of the wagering combinations selecting four betting interests which correspond with any of the betting interests involved in the dead heat shall share in a profit split.

(2) Contestants representing three betting interests, all of the wagering combinations selecting the three dead-heated betting interests, irrespective of order, along with the fourth-place betting interest shall share in a profit split.

(3) Contestants representing two betting interests, both of the wagering combinations selecting the two dead-heated betting interests, irrespective of order, along with the third-place and fourth-place betting interests shall share in a profit split.

*e.* If there is a dead heat for second involving:

(1) Contestants representing three or more betting interests, all of the wagering combinations correctly selecting the winner combined with any of the three betting interests involved in the dead heat for second shall share in a profit split.

(2) Contestants representing two betting interests, all of the wagering combinations correctly selecting the winner, the two dead-heated betting interests, irrespective of order, and the fourth-place betting interests shall share in a profit split.

*f.* If there is a dead heat for third, all wagering combinations correctly selecting the first two finishers, in correct sequence, along with any two of the betting interests involved in the dead heat for third shall share in a profit split.

*g.* If there is a dead heat for fourth, all wagering combinations correctly selecting the first three finishers, in correct sequence, along with any of the betting interests involved in the dead heat for fourth shall share in a profit split.

*h.* Rescinded IAB 6/8/94, effective 7/13/94.

**8.3(14) Twin quinella pools.**

*a.* The twin quinella requires selection of the first two finishers, irrespective of order, in each of two designated contests. Each winning ticket for the first twin quinella contest must be exchanged for



a free ticket on the second twin quinella contest in order to remain eligible for the second-half twin quinella pool. Such tickets may be exchanged only at attended ticket windows prior to the second twin quinella contest. There will be no monetary reward for winning the first twin quinella contest. Both of the designated twin quinella contests shall be included in only one twin quinella pool.

*b.* In the first twin quinella contest only, winning wagers shall be determined using the following precedence, based upon the official order of finish for the first twin quinella contest:

(1) If a coupled entry or mutuel field finishes as the first two finishers, those who selected the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish shall be winners; otherwise

(2) Those whose combination finished as the first two betting interests shall be winners; but if there are no such wagers, then

(3) Those whose combination included either the first- or second-place finisher shall be winners; but if there are no such wagers on one of those two finishers, then

(4) Those whose combination included the one covered betting interest included within the first two finishers shall be winners; but if there are no such wagers, then

(5) The entire pool shall be refunded on twin quinella wagers for that contest.

*c.* In the first twin quinella contest only, if there is a dead heat for first involving:

(1) Contestants representing the same betting interest, those who selected the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish shall be winners.

(2) Contestants representing two betting interests, the winning twin quinella wagers shall be determined as if no dead heat occurred.

(3) Contestants representing three or more betting interests, those whose combination included any two of the betting interests finishing in the dead heat shall be winners.

*d.* In the first twin quinella contest only, if there is a dead heat for second involving contestants representing two or more betting interests, the twin quinella pool shall be distributed to wagers in the following precedence, based upon the official order of finish:

(1) As a profit split to those combining the winner with any of the betting interests involved in the dead heat for second; but if there is only one covered combination, then

(2) As a single-price pool to those combining the winner with the one covered betting interest involved in the dead heat for second; but if there are no such wagers, then

(3) As a profit split to those combining the betting interests involved in the dead heat for second; but if there are no such wagers, then

(4) As a profit split to those whose combination included the winner and any other betting interest and wagers selecting any of the betting interests involved in the dead heat for second; but if there are no such wagers, then

(5) The entire pool shall be refunded on twin quinella wagers for that contest.

*e.* In the second twin quinella contest only, the entire net twin quinella pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish for the second twin quinella contest:

(1) If a coupled entry or mutuel field finishes as the first two finishers, as a single-price pool to those who selected the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish; otherwise

(2) As a single-price pool to those whose combination finished as the first two betting interests; but if there are no such wagers, then

(3) As a profit split to those whose combination included either the first- or second-place finisher; but if there are no such wagers on one of those two finishers, then

(4) As a single-price pool to those whose combination included the one covered betting interest included within the first two finishers; but if there are no such wagers, then

(5) As a single-price pool to all the exchange ticket holders for that contest; but if there are no such tickets, then

(6) In accordance with 8.3(10) "b" of the quinella double rules.

*f.* In the second twin quinella contest only, if there is a dead heat for first involving:

(1) Contestants representing the same betting interest, the net twin quinella pool shall be distributed to those selecting the coupled entry or mutuel field combined with the next separate betting interest in the official order of finish.

(2) Contestants representing two betting interests, the net twin quinella pool shall be distributed as if no dead heat occurred.

(3) Contestants representing three or more betting interests, the net twin quinella pool shall be distributed as a profit split to those whose combination included any two of the betting interests finishing in the dead heat.

g. In the second twin quinella contest only, if there is a dead heat for second involving contestants representing two or more betting interests, the twin quinella pool shall be distributed to wagers in the following precedence, based upon the official order of finish:

(1) As a split to those combining the winner with any of the betting interests involved in the dead heat for second; but if there is only one covered combination, then

(2) As a single-price pool to those combining the winner with the one covered betting interest involved in the dead heat for second; but if there are no such wagers, then

(3) As a profit split to those combining the betting interests involved in the dead heat for second; but if there are no such wagers, then

(4) As a profit split to those whose combination included the winner and any other betting interest and wagers selecting any of the betting interests involved in the dead heat for second, then

(5) As a single-price pool to all the exchange ticket holders for that contest; but if there are no such tickets, then

(6) In accordance with 8.3(14) "b" of the twin quinella rules.

h. If a winning ticket for the first half of the twin quinella is not presented for exchange prior to the close of betting on the second-half twin quinella contest, the ticket holder forfeits all rights to any distribution of the twin quinella pool resulting from the outcome of the second contest.

i. Contestants representing the same betting interest, the net twin quinella pool shall be distributed as if no dead heat occurred.

j. Should a betting interest in the first half of the twin quinella be scratched, those twin quinella wagers including the scratched betting interest shall be refunded.

k. Should a betting interest in the second half of the twin quinella be scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting interest. If tickets have not been exchanged prior to the close of betting for the second twin quinella contest, the ticket holder forfeits all rights to the twin quinella pool.

l. If either of the twin quinella contests is canceled prior to the first twin quinella contest, or the first twin quinella contest is declared "no contest," the entire twin quinella pool shall be refunded on twin quinella wagers for that contest.

m. If the second-half twin quinella contest is canceled or declared "no contest" after the conclusion of the first twin quinella contest, the net twin quinella pool shall be distributed as a single-price pool to wagers selecting the winning combination in the first twin quinella contest and all valid exchange tickets. If there are no such wagers, the net twin quinella pool shall be distributed as described in 8.3(14) "b" of the twin quinella rules.

**8.3(15) Twin trifecta pools.**

a. The twin trifecta requires selection of the first three finishers, in their exact order, in each of two designated contests. Each winning ticket for the first twin trifecta contest must be exchanged for a free ticket on the second twin trifecta contest in order to remain eligible for the second-half twin trifecta pool. Such tickets may be exchanged only at attended ticket windows prior to the second twin trifecta contest. Winning first-half twin trifecta wagers will receive both an exchange and a monetary payoff. Both of the designated twin trifecta contests shall be included in only one twin trifecta pool.

b. After wagering closes for the first half of the twin trifecta and commissions have been deducted from the pool, the net pool shall then be divided into separate pools: the first-half twin trifecta pool and the second-half twin trifecta pool.

*c.* In the first twin trifecta contest only, winning wagers shall be determined using the following precedence, based upon the official order of finish for the first twin trifecta contest:

(1) As a single-price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers, then

(2) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then

(3) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then

(4) The entire twin trifecta pool shall be refunded on twin trifecta wagers for that contest and the second half shall be canceled.

*d.* If no first-half twin trifecta ticket selects the first three finishers of that contest in exact order, winning ticket holders shall not receive any exchange tickets for the second half of the twin trifecta pool. In such case, the second-half twin trifecta pool shall be retained and added to any existing twin trifecta carryover pool.

*e.* Winning tickets from the first half of the twin trifecta shall be exchanged for tickets selecting the first three finishers of the second half of the twin trifecta. The second-half twin trifecta pool shall be distributed to winning wagers in the following precedence, based upon the official order for the second twin trifecta contest:

(1) As a single-price pool, including any existing carryover moneys, to those whose combination finished in correct sequence as the first three betting interests; but if there are no such tickets, then

(2) The entire second-half twin trifecta pool for that contest shall be added to any existing carryover moneys and retained for the corresponding second-half twin trifecta pool of the next consecutive performance.

*f.* If a winning first-half twin trifecta ticket is not presented for cashing and exchange prior to the second-half twin trifecta contest, the ticket holder may still collect the monetary value associated with the first-half twin trifecta pool but forfeits all rights to any distribution of the second-half twin trifecta pool.

*g.* Coupled entries and mutuel fields shall be allowed in twin trifecta contests.

*h.* Should a betting interest in the first half of the twin trifecta be scratched, those twin trifecta wagers including the scratched betting interest shall be refunded.

*i.* Should a betting interest in the second half of the twin trifecta be scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting interest. If tickets have not been exchanged prior to the close of betting for the second twin trifecta contest, the ticket holder forfeits all rights to the second-half twin trifecta pool.

*j.* If, due to a late scratch, the number of betting interests in the second half of the twin trifecta is reduced to fewer than the minimum, all exchange tickets and outstanding first-half winning tickets shall be entitled to the second-half twin trifecta pool for that contest as a single-price pool, but not the twin trifecta carryover.

*k.* If there is a dead heat or multiple dead heats in either the first or second half of the twin trifecta, all twin trifecta wagers selecting the correct order of finish, counting a betting interest involved in a dead heat as finishing in any dead-heated position, shall be a winner. In the case of a dead heat occurring in:

(1) The first half of the twin trifecta, the payoff shall be calculated as a profit split.

(2) The second half of the twin trifecta, the payoff shall be calculated as a single-price pool.

*l.* If either of the twin trifecta contests is canceled prior to the first twin trifecta contest, or the first twin trifecta contest is declared "no contest," the entire twin trifecta pool shall be refunded on twin trifecta wagers for that contest and the second half shall be canceled.

*m.* If the second-half twin trifecta contest is canceled or declared "no contest," all exchange tickets and outstanding first-half winning twin trifecta tickets shall be entitled to the net twin trifecta pool for that contest as a single-price pool, but not twin trifecta carryover. If there are no such tickets, the net twin trifecta pool shall be distributed as described in 8.3(14) "c" of the twin trifecta rules.

*n.* The twin trifecta carryover may be capped at a designated level approved by the administrator so that if, at the close of any performance, the amount in the twin trifecta carryover equals or exceeds the designated cap, the twin trifecta carryover will be frozen until it is won or distributed under other provisions of this subrule. After the twin trifecta carryover is frozen, 100 percent of the net twin trifecta pool for each individual contest shall be distributed to winners of the first half of the twin trifecta pool.

*o.* A written request for permission to distribute the twin trifecta carryover on a specific performance may be submitted to the administrator. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.

*p.* Should the twin trifecta carryover be designated for distribution on a specified date and performance, the following precedence will be followed in determining winning tickets for the second half of the twin trifecta after completion of the first half of the twin trifecta:

- (1) As a single-price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers, then
- (2) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then
- (3) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then
- (4) As a single-price pool to holders of valid exchange tickets.
- (5) As a single-price pool to holders of outstanding first-half winning tickets.

*q.* Contrary to 8.3(14)“*d*” of the twin trifecta rules, during a performance designated to distribute the twin trifecta carryover, exchange tickets will be issued for those combinations selecting the greatest number of betting interests in their correct order of finish for the first half of the twin trifecta. If there are no wagers correctly selecting the first-, second-, and third-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first- and second-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first-place betting interest only. If there are no wagers selecting the first-place betting interest only in the first half of the twin trifecta, all first-half tickets will become winners and will receive 100 percent of that day’s net twin trifecta pool and any existing twin trifecta carryover as a single-price pool.

*r.* The twin trifecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

- (1) Upon written approval from the administrator as provided in 8.3(14)“*o*” of the twin trifecta rules.
- (2) Upon written approval from the administrator when there is a change in the carryover cap or when the twin trifecta is discontinued.
- (3) On the closing performance of the meet or split meet.

*s.* If, for any reason, the twin trifecta carryover must be carried over to the corresponding twin trifecta pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the administrator. The twin trifecta carryover plus accrued interest shall then be added to the second-half twin trifecta pool of the following meet on a date and performance so designated by the administrator.

*t.* Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of valid exchange tickets is prohibited, unless permission is granted by the administrator. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees’ processing of pool data.

*u.* The association must obtain written approval from the administrator concerning the scheduling of twin trifecta contests, the percentages of the net pool added to the first-half pool and second-half pool, and the designated amount of any cap to be set on the carryover. Any subsequent changes to the twin trifecta rules require prior approval from the administrator.

**8.3(16) *Tri-superfecta pools.***

*a.* The tri-superfecta requires selection of the first three finishers, in their exact order, in the first of two designated contests and the first four finishers, in exact order, in the second of the two designated

contests. Each winning ticket for the first tri-superfecta contest must be exchanged for a free ticket on the second tri-superfecta contest in order to remain eligible for the second-half tri-superfecta pool. Such tickets may be exchanged only at attended ticket windows prior to the second tri-superfecta contest. Winning first-half tri-superfecta tickets will receive both an exchange and a monetary payoff. Both of the designated tri-superfecta contests shall be included in only one tri-superfecta pool.

*b.* After wagering closes for the first half of the tri-superfecta and commissions have been deducted from the pool, the net pool shall then be divided into two separate pools: the first-half tri-superfecta pool and the second-half tri-superfecta pool.

*c.* In the first tri-superfecta contest only, winning tickets shall be determined using the following precedence, based upon the official order of finish for the first tri-superfecta contest:

(1) As a single-price pool to those whose combination finished in correct sequence as the first three betting interests; but if there are no such wagers, then

(2) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then

(3) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then

(4) The entire tri-superfecta pool shall be refunded on tri-superfecta wagers for that contest and the second half shall be canceled.

*d.* If no first-half tri-superfecta ticket selects the first three finishers of that contest in exact order, winning ticket holders shall not receive any exchange tickets for the second-half tri-superfecta pool. In such case, the second-half tri-superfecta pool shall be retained and added to any existing tri-superfecta carryover pool.

*e.* Winning tickets from the first half of the tri-superfecta shall be exchanged for tickets selecting the first four finishers of the second half of the tri-superfecta. The second-half tri-superfecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish for the second tri-superfecta contest:

(1) As a single-price pool, including any existing carryover moneys, to those whose combination finished in correct sequence as the first four betting interests; but if there are no such tickets, then

(2) The entire second-half tri-superfecta pool for that contest shall be added to any existing carryover moneys and retained for the corresponding second-half tri-superfecta pool of the next performance.

*f.* If a winning first-half tri-superfecta ticket is not presented for cashing and exchange prior to the second-half tri-superfecta contest, the ticket holder may still collect the monetary value associated with the first-half tri-superfecta pool but forfeits all rights to any distribution of the second-half tri-superfecta pool.

*g.* Coupled entries and mutuel fields shall be prohibited in tri-superfecta contests.

*h.* Should a betting interest in the first half of the tri-superfecta be scratched, those tri-superfecta tickets including the scratched betting interest shall be refunded.

*i.* Should a betting interest in the second half of the tri-superfecta be scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting interest. If tickets have not been exchanged prior to the close of betting for the second tri-superfecta contest, the ticket holder forfeits all rights to the second-half tri-superfecta pool.

*j.* If, due to a late scratch, the number of betting interests in the second half of the tri-superfecta is reduced to fewer than the minimum, all exchange tickets and outstanding first-half winning tickets shall be entitled to the second-half tri-superfecta pool for that contest as a single-price pool, but not the tri-superfecta carryover.

*k.* If there is a dead heat or multiple dead heats in either the first or second half of the tri-superfecta, all tri-superfecta tickets selecting the correct order of finish, counting a betting interest involved in a dead heat as finishing in any dead-heated position, shall be a winner. In the case of a dead heat occurring in:

(1) The first half of the tri-superfecta, the payoff shall be calculated as a profit split.

(2) The second half of the tri-superfecta, the payoff shall be calculated as a single-price pool.

*l.* If either of the tri-superfecta contests is canceled prior to the first tri-superfecta contest, or the first tri-superfecta contest is declared “no contest,” the entire tri-superfecta pool shall be refunded on tri-superfecta wagers for that contest and the second half shall be canceled.

*m.* If the second-half tri-superfecta contest is canceled or declared “no contest,” all exchange tickets and outstanding first-half winning tri-superfecta tickets shall be entitled to the net tri-superfecta pool for that contest as a single-price pool, but not the tri-superfecta carryover. If there are no such tickets, the net tri-superfecta pool shall be distributed as described in 8.3(16) “*c*” of the tri-superfecta rules.

*n.* The tri-superfecta carryover may be capped at a designated level approved by the administrator so that if, at the close of any performance, the amount in the tri-superfecta carryover equals or exceeds the designated cap, the tri-superfecta carryover will be frozen until it is won or distributed under other provisions of this subrule. After the second-half tri-superfecta carryover is frozen, 100 percent of the tri-superfecta pool for each individual contest shall be distributed to winners of the first half of the tri-superfecta pool.

*o.* A written request for permission to distribute the tri-superfecta carryover on a specific performance may be submitted to the administrator. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.

*p.* Should the tri-superfecta carryover be designated for distribution on a specified date and performance, the following precedence will be followed in determining winning tickets for the second half of the tri-superfecta after completion of the first half of the tri-superfecta:

(1) As a single-price pool to those whose combination finished in correct sequence as the first four betting interests; but if there are no such wagers, then

(2) As a single-price pool to those whose combination included, in correct sequence, the first three betting interests; but if there are no such wagers, then

(3) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then

(4) As a single-price pool to those whose combination included, in correct sequence, the first-place betting interests only; but if there are no such wagers, then

(5) As a single-price pool to holders of valid exchange tickets.

(6) As a single-price pool to holders of outstanding first-half winning tickets.

*q.* Contrary to 8.3(16) “*d*” of the tri-superfecta rules, during a performance designated to distribute the tri-superfecta carryover, exchange tickets will be issued for those combinations selecting the greatest number of betting interests in their correct order of finish for the first half of the tri-superfecta. If there are no wagers correctly selecting the first-, second-, and third-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first- and second-place betting interests. If there are no wagers correctly selecting the first- and second-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first-place betting interest only. If there are no wagers selecting the first-place betting interest only in the first half of the tri-superfecta, all first-half tickets will become winners and will receive 100 percent of the day’s net tri-superfecta pool and any existing tri-superfecta carryover as a single-price pool.

*r.* The tri-superfecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

(1) Upon written approval from the administrator as provided in 8.3(16) “*o*” of the tri-superfecta rules.

(2) Upon written approval from the administrator when there is a change in the carryover cap or when the tri-superfecta is discontinued.

(3) On the closing performance of the meet or split meet.

*s.* If, for any reason, the tri-superfecta carryover must be carried over to the corresponding tri-superfecta pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the administrator. The tri-superfecta carryover plus accrued interest shall then be added to the second-half tri-superfecta pool of the following meet on a date and performance so designated by the administrator.

*t.* Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of valid exchange tickets is prohibited, unless permission has been granted by the administrator. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.

*u.* The association must obtain written approval from the administrator concerning the scheduling of tri-superfecta contests, the percentages of the net pool added to the first-half pool and second-half pool, and the designated amount of any cap to be set on the carryover. Any subsequent changes to the tri-superfecta rules require prior approval from the administrator.

**8.3(17) *Twin superfecta pools.***

*a.* The twin superfecta requires selection of the first four finishers, in their exact order, in each of two designated contests. Each winning ticket for the first twin superfecta contest must be exchanged for a free ticket on the second twin superfecta contest in order to remain eligible for the second-half twin superfecta pool. Such tickets may be exchanged only at attended ticket windows prior to the second twin superfecta contest. Winning first-half twin superfecta tickets will receive both an exchange and a monetary payoff. Both of the designated twin superfecta contests shall be included in only one twin superfecta pool.

*b.* After wagering closes for the first half of the twin superfecta and commissions have been deducted from the pool, the net pool shall then be divided into two separate pools: the first-half twin superfecta pool and the second-half twin superfecta pool.

*c.* In the first twin superfecta contest only, winning wagers shall be determined using the following precedence, based upon the official order of finish for the first twin superfecta contest:

(1) As a single-price pool to those whose combination finished in correct sequence as the first four betting interests; but if there are no such wagers, then

(2) As a single-price pool to those whose combination included, in correct sequence, the first three betting interests; but if there are no such wagers, then

(3) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then

(4) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then

(5) The entire twin superfecta pool shall be refunded on twin superfecta wagers for that contest and the second half shall be canceled.

*d.* If no first-half twin superfecta ticket selects the first four finishers of that contest in exact order, winning ticket holders shall not receive any exchange tickets for the second-half twin superfecta pool. In such case, the second-half twin superfecta pool shall be retained and added to any existing twin superfecta carryover pool.

*e.* Winning tickets from the first half of the twin superfecta shall be exchanged for tickets selecting the first four finishers of the second half of the twin superfecta. The second-half twin superfecta pool shall be distributed to winning wagers in the following precedence, based upon the official order of finish for the second twin superfecta contest:

(1) As a single-price pool, including any existing carryover moneys, to those whose combination finished in correct sequence as the first four betting interests; but if there are no such tickets, then

(2) The entire second-half twin trifecta pool for that contest shall be added to any existing carryover moneys and retained for the corresponding second-half twin superfecta pool of the next performance. The additional second-half twin superfecta moneys resulting from such a carryover shall be termed the "twin superfecta carryover."

*f.* If a winning first-half twin superfecta ticket is not presented for cashing and exchange prior to the second-half twin superfecta contest, the ticket holder may still collect the monetary value associated with the first-half twin superfecta pool but forfeits all rights to any distribution of the second-half twin trifecta pool.

*g.* Coupled entries and mutuel fields shall be prohibited in twin superfecta contests.

*h.* Should a betting interest in the first half of the twin superfecta be scratched, those twin superfecta tickets including the scratched betting interest shall be refunded.

*i.* Should a betting interest in the second half of the twin superfecta be scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting interest. If tickets have not been exchanged prior to the close of betting for the second twin superfecta contest, the ticket holder forfeits all rights to the second-half twin superfecta pool.

*j.* If, due to a late scratch, the number of betting interests in the second half of the twin superfecta is reduced to fewer than the minimum, all exchange tickets and outstanding first-half winning tickets shall be entitled to the second-half twin superfecta pool for that contest as a single-price pool, but not the twin superfecta carryover.

*k.* If there is a dead heat or multiple dead heats in either the first or second half of the twin superfecta, all twin superfecta tickets selecting the correct order of finish, counting a betting interest involved in a dead heat as finishing in any dead-heated position, shall be a winner. In the case of a dead heat occurring in:

- (1) The first half of the twin superfecta, the payoff shall be calculated as a profit split.
- (2) The second half of the twin superfecta, the payoff shall be calculated as a single-price pool.

*l.* If either of the twin superfecta contests are canceled prior to the first twin superfecta contest, or the first twin superfecta contest is declared “no contest,” the entire twin superfecta pool shall be refunded on twin superfecta wagers for that contest and the second half shall be canceled.

*m.* If the second-half twin superfecta contest is canceled or declared “no contest,” all exchange tickets and outstanding first-half winning twin superfecta tickets shall be entitled to the net twin superfecta pool for that contest as a single-price pool, but not the twin superfecta carryover. If there are no such tickets, the net twin superfecta pool shall be distributed as described in 8.3(17) “c” of the twin superfecta rules.

*n.* The twin superfecta carryover may be capped at a designated level approved by the administrator so that if, at the close of any performance, the amount in the twin superfecta carryover equals or exceeds the designated cap, the twin superfecta carryover will be frozen until it is won or distributed under other provisions of this subrule. After the second-half twin superfecta carryover is frozen, 100 percent of the net twin superfecta pool for each individual contest shall be distributed to winners of the first half of the twin superfecta pool.

*o.* A written request for permission to distribute the twin superfecta carryover on a specific performance may be submitted to the administrator. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution.

*p.* Should the twin superfecta carryover be designated for distribution of a specified date and performance, the following precedence will be followed in determining winning tickets for the second half of the twin superfecta after completion of the first half of the twin superfecta:

- (1) As a single-price pool to those whose combination finished in correct sequence as the first four betting interests; but if there are no such wagers, then
- (2) As a single-price pool to those whose combination included, in correct sequence, the first three betting interests; but if there are no such wagers, then
- (3) As a single-price pool to those whose combination included, in correct sequence, the first two betting interests; but if there are no such wagers, then
- (4) As a single-price pool to those whose combination correctly selected the first-place betting interest only; but if there are no such wagers, then
- (5) As a single-price pool to holders of valid exchange tickets.
- (6) As a single-price pool to holders of outstanding first-half winning tickets.

*q.* Contrary to 8.3(17) “d” of the twin superfecta rules, during a performance designated to distribute the twin superfecta carryover, exchange tickets will be issued for those combinations selecting the greatest number of betting interests in their correct order of finish for the first half of the twin superfecta. If there are no wagers correctly selecting the first-, second-, third-, and fourth-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first-, second-, and third-place betting interests. If there are no wagers correctly selecting the



first-, second-, and third-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first- and second-place betting interests. If there are no wagers correctly selecting the first- and second-place finishers, in their exact order, then exchange tickets shall be issued for combinations correctly selecting the first-place betting interest only. If there are no wagers selecting the first-place betting interest only in the first half of the twin superfecta, all first-half tickets will become winners and will receive 100 percent of that day's net twin superfecta pool and any existing twin superfecta carryover as a single-price pool.

*r.* The twin superfecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:

(1) Upon written approval from the administrator as provided in 8.3(17) "o" of the twin superfecta rules.

(2) Upon written approval from the administrator when there is a change in the carryover cap or when the twin superfecta is discontinued.

(3) On the closing performance of the meet or split meet.

*s.* If, for any reason, the twin superfecta carryover must be carried over to the corresponding twin superfecta pool of a subsequent meet, the carryover shall be deposited in an interest-bearing account approved by the administrator. The twin superfecta carryover plus accrued interest shall then be added to the second-half twin superfecta pool of the following meet on a date and performance so designated by the administrator.

*t.* Providing information to any person regarding covered combinations, amount wagered on specific combinations, number of tickets sold, or number of valid exchange tickets is prohibited, unless permission has been granted by the administrator. This shall not prohibit necessary communication between totalizator and pari-mutuel department employees for processing of pool data.

*u.* The association must obtain written approval from the administrator concerning the scheduling of twin superfecta contests, the percentages of the net pool added to the first-half pool and second-half pool, and the designated amount of any cap to be set on the carryover. Any subsequent changes to the twin superfecta rules require prior approval from the administrator.

#### **491—8.4(99D) Simulcast wagering.**

##### **8.4(1) General.**

*a. Rules.* All simulcasting must be transmitted live and all wagering on simulcasting shall be made in accordance with the commission rules on pari-mutuel wagering. Commission rules in effect during live racing shall remain in effect during simulcasting where applicable.

*b. Transmission.* The method used to transmit sales transaction and pari-mutuel output data must be approved by the commission, based upon the determination that provisions to secure the system and transmission are satisfactory.

*c. Communication.* A communication system between the host track and the receiving facility must be provided which will allow the totalizator operator and the commission representatives at the host track to communicate with the facility receiving the signal. The association is responsible during the racing program's operating hours for reporting any problems or delays to the public.

##### *d. Approval.*

(1) All simulcasting, both interstate and intrastate, must be preapproved by the commission or commission representative. Each association conducting simulcasting shall submit an annual written simulcast proposal to the commission with the application for license renewal required by 491—Chapter 1.

(2) The commission representative, upon written request, may grant modifications to the annual simulcast proposal. The commission representative may approve or disapprove simulcast requests at the representative's discretion. Factors that may be considered include, but are not limited to: economic conditions of an association, impact on other associations, impact on the Iowa breeding industry, other gambling in the state, and any other considerations the commission representative deems appropriate.

(3) Once simulcast authority has been granted by the commission or commission representative, it shall be the affirmative responsibility of the association granted simulcast authority to obtain all necessary

permission from other states and tracks to simulcast the pari-mutuel races. In addition, the burden of adhering to state and federal laws concerning simulcasting rests on the association at all times.

**8.4(2) *Simulcast host.***

*a.* Every host association, if requested, may contract with an authorized receiver for the purpose of providing authorized users its simulcast. All contracts governing participation in interstate or intrastate pools shall be submitted to the commission representative for prior approval. Contracts shall be of such content and in such format as required by the commission representative.

*b.* A host association is responsible for the content of the simulcast and shall use all reasonable effort to present a simulcast which offers the viewers an exemplary depiction of each performance.

*c.* Unless otherwise permitted by the commission representative, every simulcast will contain in its video content a digital display of actual time of day, the name of the host facility from which it emanates, the number of the contest being displayed, and any other relevant information available to patrons at the host facility.

*d.* The host association shall maintain such security controls, including encryption over its uplink and communications systems, as directed or approved by the commission or commission representative.

*e.* Financial reports shall be submitted daily or as otherwise directed by the commission representative. Reports shall be of such content and in such format as required by the commission representative.

**8.4(3) *Authorized receiver.***

*a.* An authorized receiver shall provide:

(1) Adequate transmitting and receiving equipment of acceptable broadcast quality which shall not interfere with the closed circuit TV system of the host association for providing any host facility patron information.

(2) Pari-mutuel terminals, pari-mutuel odds displays, modems and switching units enabling pari-mutuel data transmissions, and data communications between the host and guest associations.

(3) A voice communication system between each guest association and the host association providing timely voice contact among the commission representative, placing judges, and pari-mutuel departments.

*b.* The guest association and all authorized receivers shall conduct pari-mutuel wagering pursuant to the applicable commission rules.

*c.* Not less than 30 minutes prior to the commencement of transmission of the performance of pari-mutuel contests, the guest association shall initiate a test program of its transmitter, encryption and decoding, and data communication to ensure proper operation of the system.

*d.* The guest association shall, in conjunction with the host association(s) for which it operates pari-mutuel wagering, provide the commission representative with a certified report of its pari-mutuel operations as directed by the commission representative.

*e.* Every authorized receiver shall file with the commission an annual report of its simulcast operations and an audited financial statement.

*f.* The mutuel manager shall notify the commission representative when the transfer of pools, pool totals, or calculations are in question, or if partial or total cancellations occur, and shall suggest alternatives for continued operation. Should loss of video signal occur, wagering may continue with approval from the commission representative.

**491—8.5(99D) Interstate common-pool wagering.**

**8.5(1) *General.***

*a.* All contracts governing participation in interstate common pools shall be submitted to the commission representative for prior approval. Financial reports shall be submitted daily or as otherwise directed by the commission representative. Contracts and reports shall be of such content and in such format as required by the commission representative.

*b.* Individual wagering transactions are made at the point of sale in the state where placed. Pari-mutuel pools are combined for computing odds and calculating payoffs but will be held separate for auditing and all other purposes.

c. Any surcharges or withholdings in addition to the takeout shall be applied only in the jurisdiction otherwise imposing such surcharges or withholdings.

d. In determining whether to approve an interstate common pool which does not include the host association or which includes contests from more than one association, the commission representative shall 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 host association, or other factors which are presented to the commission representative.

e. 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.

**8.5(2) *Guest state participation in interstate common pools.***

a. With the prior approval of the commission representative, pari-mutuel wagering pools may be combined with corresponding wagering pools in the host state, or with corresponding pools established by one or more other jurisdictions.

b. The commission representative may permit adjustment of the takeout from the pari-mutuel pool so that the takeout rate in this jurisdiction is identical to that of the host association, or identical to that of other jurisdictions participating in a merged pool.

c. When takeout rates in the merged pools are not identical, the net-price calculation shall be the method by which the differing takeout rates are applied.

d. Rules established in the state of the host association designated for a pari-mutuel pool shall apply.

e. The commission representative shall approve agreements made between the association and other participants in interstate common pools governing the distribution of breakage between the jurisdictions.

f. If, for any reason, it becomes impossible to successfully merge the bets placed into the interstate common pool, the association shall make payoffs in accordance with payoff prices that would have been in effect if prices for the pool of bets were calculated without regard to wagers placed elsewhere; except that, with the permission of the commission representative, the association may alternatively determine either to pay winning tickets at the payoff prices at the host association, or to declare such accepted bets void and make refunds in accordance with the applicable rules.

**8.5(3) *Host state participation in merged pools.***

a. With the prior approval of the commission representative, an association licensed to conduct pari-mutuel wagering may determine that one or more of its contests be utilized for pari-mutuel wagering at guest facilities in other states and may also determine that pari-mutuel pools in guest states be combined with corresponding wagering pools established by it as the host association or comparable wagering pools established by two or more states.

b. When takeout rates in the merged pool are identical, the net-price calculation shall be the method by which the differing takeout rates are applied.

c. Rules of racing established for races held in this state shall also apply to interstate common pools unless the commission representative shall specifically determine otherwise.

d. The commission representative shall approve agreements made between the association and other participants in interstate common pools governing the distribution of breakage between the jurisdictions.

e. Any contract for interstate common pools entered into by the association shall contain a provision to the effect that if, for any reason, it becomes impossible to successfully merge the bets placed in another state into the interstate common pool formed by the association or if, for any reason, the commission representative or association determines that attempting to effect transfer of pool data from the guest state may endanger the association's wagering pool, the association shall have no liability for any measure taken which may result in the guest's wagers not being accepted into the pool.

**8.5(4) Takeout rates in interstate common pools.**

a. With the prior approval of the commission representative, an association wishing to participate in an interstate common pool may change its takeout rate so as to achieve a common takeout rate with all other participants in the interstate common pool.

b. An association wishing to participate in an interstate common pool may request that the commission representative approve a methodology whereby host association and guest association states with different takeout rates for corresponding pari-mutuel pools may effectively and equitably combine wagers from the different states into an interstate common pool.

**491—8.6(99D) Advance deposit wagering.****8.6(1) Definitions.**

“*Account*” means an account approved by the commission for advance deposit wagering with a complete record of credits, wagers and debits established by a licensee account holder and managed by a licensee or ADWO.

“*Advance deposit wagering*” means a method of pari-mutuel wagering in which an individual may establish an account, deposit money into the account, and use the account balance to pay for pari-mutuel wagering.

“*Advance deposit wagering center*” means an actual location, equipment, and staff of a licensee, ADWO, or both involved in the management, servicing and operation of advance deposit wagering for the licensee.

“*Advance deposit wagering operator*” or “*ADWO*” means an advance deposit wagering operator licensed by the commission who has entered into an agreement with the licensee of the horse racetrack in Polk County and the Iowa Horsemen’s Benevolent and Protective Association to provide advance deposit wagering.

“*Credits*” means all positive inflows of money to an account.

“*Debits*” means all negative outflow of money from an account.

“*Deposit*” means a payment of money into an account.

“*Licensee*” means a horse racetrack located in Polk County operating under a license issued by the commission.

“*Licensee account holder*” means any individual at least 21 years of age who successfully completed an application and for whom the licensee or ADWO has opened an account. “*Licensee account holder*” does not include any corporation, partnership, limited liability company, trust, estate or other formal or nonformal entity.

“*Proper identification*” means a form of identification accepted in the normal course of business to establish that the person making a transaction is a licensee account holder.

“*Secure personal identification code*” means an alpha-numeric character code provided by a licensee account holder as a means by which the licensee or ADWO may verify a wager or account transaction as authorized by the licensee account holder.

“*Source market fee*” or “*host fee*” means the part of a wager made on any race by a person who is a licensee account holder that is returned to the licensee and the Iowa Horsemen’s Benevolent and Protective Association pursuant to the terms of a negotiated agreement as required by these rules.

“*Withdrawal*” means a payment of money from an account by the licensee or ADWO to the licensee account holder when properly requested by the licensee account holder.

**8.6(2) Authorization to conduct advance deposit wagering.**

a. A licensee may request authorization from the commission to conduct advance deposit wagering pursuant to 2011 Iowa Code Supplement section 99D.11(6)“c” and these rules. As part of the request, the licensee shall submit a detailed plan of how its advance deposit wagering system would operate. The commission may require changes in a proposed plan of operations as a condition of granting a request. No subsequent changes in the system’s operation may occur unless ordered by the commission or until approval is obtained from the commission after it receives a written request.

b. The commission may conduct investigations or inspections or request additional information from the licensee as the commission deems appropriate in determining whether to allow the licensee to conduct advance deposit wagering.

c. The licensee shall establish and manage an advance deposit wagering center.

d. The commission may issue an ADWO license to an entity that enters into an agreement with the commission, licensee, and the Iowa Horsemen's Benevolent and Protective Association. The terms of any ADWO's license shall include but not be limited to:

(1) Any source market fees and host fees to be paid on any races subject to advance deposit wagering.

(2) An annual ADWO license fee in an amount to be determined by the commission.

(3) Completion of all necessary background investigations.

(4) Acceptance of wagers on live races conducted at the horse racetrack in Polk County from all of its licensee account holders.

(5) A bond or irrevocable letter of credit on behalf of the ADWO to be determined by the commission.

(6) A detailed description and certification of systems and procedures used by the ADWO to validate the identity and age of licensee account holders and to validate the legality of wagers accepted.

(7) Certification of prompt commission access to all records relating to licensee account holder identity and age in hard-copy or standard electronic format acceptable to the commission.

(8) Certification of secure retention of all records related to advance deposit wagering and accounts for a period of not less than three years or such longer period as specified by the commission.

(9) Utilization and communication of pari-mutuel wagers to a pari-mutuel system meeting all requirements for pari-mutuel systems employed by licensed racing facilities in Iowa.

e. Commission access to and use of information concerning advance deposit wager transactions and licensee account holders shall be considered proprietary, and such information shall not be disclosed publicly except as may be required pursuant to statute or court order or except as part of the official record of any proceeding before the commission. This requirement shall not prevent the sharing of this information with other pari-mutuel regulatory authorities or law enforcement agencies for investigative purposes.

f. For each advance deposit wager made for an account by telephone, the licensee or ADWO shall make a voice recording of the entire transaction and shall not accept any such wager if the voice-recording system is inoperable. Voice recordings shall be retained for not less than six months and shall be made available to the commission for investigative purposes.

**8.6(3) *Establishing an account.***

a. A person must have an established account in order to place advance deposit wagers. An account may be established in person at the licensee's facility or with the ADWO by mail or electronic means. For establishing an account, the application must be signed or otherwise authorized in a manner acceptable to the commission and shall include: the applicant's full legal name, principal residence address, telephone number, and date of birth and any other information required by the commission.

b. Each application submitted will be subject to electronic verification with respect to the applicant's name, principal residence address and date of birth by either a national, independent individual reference service company or by means of a technology which meets or exceeds the reliability, security, accuracy, privacy and timeliness provided by individual reference service companies. An applicant's social security number may be necessary for completion of the verification process and for tax reporting purposes. If there is a discrepancy between the application submitted and the information provided by the electronic verification or if no information on the applicant is available from such electronic verification, another individual reference service may be accessed or another technology meeting the requirements described above may be used to verify the information provided. If these measures prove unsatisfactory, then the applicant will be contacted and given instructions as to how to resolve the matter.

c. The identity of a licensee account holder must be verified via electronic means or copies of other documents before the licensee account holder may place an advance deposit wager.

*d.* Each account shall have a unique identifying account number. The identifying account number may be changed at any time by the licensee or ADWO provided that the licensee or ADWO informs the licensee account holder in writing prior to the change.

*e.* The applicant shall provide the licensee or ADWO with an alpha-numeric code to be used as a secure personal identification code when the licensee account holder is placing an advance deposit wager. The licensee account holder has the right to change this code at any time.

*f.* The licensee account holder shall receive at the time the account is approved a unique account identification number; a copy of the advance deposit wagering rules and such other information and material pertinent to the operation of the account; and such other information as the licensee, ADWO or commission may deem appropriate.

*g.* The account is nontransferable.

*h.* The licensee or ADWO may close or refuse to open an account for what it deems good and sufficient reason and shall order an account closed if it is determined that information used to open an account was false or that the account has been used in violation of these rules or the licensee's or ADWO's terms and conditions.

**8.6(4) Operation of an account.** The ADWO shall submit operating procedures with respect to licensee account holder accounts for commission approval.

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