

491—8.5(99D) Interstate common-pool wagering.**8.5(1) General.**

a. All contracts governing participation in interstate common pools should be submitted to the commission representative for prior approval. Financial reports are submitted daily or as otherwise directed by the commission representative. Contracts and reports should 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 may be applied only in the jurisdiction otherwise imposing such surcharges or withholdings.

d. In determining whether to approve an interstate common pool that does not include the host facility or that includes contests from more than one facility, the commission representative will consider and may approve use of a bet type that is not utilized at the host facility, application of a takeout rate not in effect at the host facility, or other factors that 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 facility 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 is the method by which the differing takeout rates are applied.

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

e. The commission representative will approve agreements made between the facility 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 facility will 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 facility may alternatively determine either to pay winning tickets at the payoff prices at the host facility 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, a facility 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 jurisdictions and may also determine that pari-mutuel pools in guest jurisdictions be combined with corresponding wagering pools established by it as the host facility or comparable wagering pools established by two or more jurisdictions.

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

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

d. The commission representative must approve agreements made between the facility 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 facility must contain a provision to the effect that if, for any reason, it becomes impossible to successfully merge the bets placed in another jurisdiction into the interstate common pool formed by the facility or if, for any reason, the commission representative or facility determines that attempting to effect transfer of pool data from the

guest jurisdiction may endanger the facility's wagering pool, the facility will have no liability for any measure taken that 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, a facility 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. A facility wishing to participate in an interstate common pool may request that the commission representative approve a methodology whereby host facility and guest facility jurisdictions with different takeout rates for corresponding pari-mutuel pools may effectively and equitably combine wagers from the different jurisdictions into an interstate common pool.

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