

**LOTTERIES AND GAMING (PARI-MUTUEL
WAGERING) REGULATIONS**

S.I. 133/2002

(SECTION 66)

[Commencement 23 December, 2002]

1. These regulations may be cited as the Lotteries and Gaming (Pari-Mutuel Wagering) Regulations. Citation.

2. In this Act — Interpretation.

“Act” means the Lotteries and Gaming Act; Ch. 387.

“Board” means the Gaming Board;

“breakage” means the odd cents over a multiple of five or ten cents arising from the computation of payouts (“positive breakage”) or the cents necessary to raise the payout to the minimum permitted (“negative breakage”);

“dedicated line” means a telephone line which is reserved exclusively for transmitting Pari-mutuel wagering data between a casino pari-mutuel facility and a hub and between a hub and a track;

“delay period” means the time between off-time and the start of a race;

“gross pool” means the total amount of money wagered on the outcome of a particular event without any deduction therefrom;

“hub” means a facility which acts as an intermediary between a casino pari-mutuel facility and a track for the transmission of wagering data and which is responsible for generating all reports necessary for the reconciliation of payments between casinos and tracks and performs other functions including the transmission of pictures of horse races and non-wagering data;

“insufficient pari-mutuel pool” means a pool in which insufficient monies have been wagered to permit the minimum pay-offs of winning wagers;

“manual merge” means the process used in the event of a systems or communications failure by which a hub transmits wagering information to a track by telephone, facsimile machine, cellular telephone or other means of communication and the process by which the track includes such wagers in the common pool in such circumstances;

“off-time” means the time when the last horse or dog is loaded into the starting gate in a horse or dog race or when the starting gate car begins to move in a harness race or, if there is no starting gate or starting gate car, approximately fifteen seconds before the anticipated start of the race;

“pari-mutuel cashier” means a casino employee who sells pari-mutuel tickets, sells vouchers, pays cash for vouchers and makes pay-outs in a casino pari-mutuel facility;

“pari-mutuel wagering” means a system by which all wagers on a specific outcome are pooled together and shared by those making the correct choice, less a commission;

“pool definition” means a computer generated print-out provided by a track of the pari-mutuel wagering format and scratch information for that day’s racing programme;

“scratch” means the removal of an entered horse or dog from a race;

“simulcasting” means the simultaneous transmission by pictures of races conducted at race tracks to casino licensees and pari-mutuel wagering at

casino simulcasting facilities operated by casino licensees on the results of those races;

“take-out” means the amount of a pool retained by the operator;

“totalisator” means a computer which, directly or indirectly through one or more other totalisators, receives pari-mutuel wagering information, calculates pay-offs for winning tickets and generates reports with respect to such information, and may refer to the linked computers of the casino, the hub and the track;

“track” means a horse racing, harness racing or dog racing track which is equipped to include external pari-mutuel wagers in its pool and which has been approved by the Board; and

“voucher” means a ticket issued by a pari-mutuel cashier or a machine in a pari-mutuel facility which can be exchanged for cash or for value when making a wager.

3. (1) A casino may conduct pari-mutuel wagering in accordance with the Act provided that there is simultaneous transmission of pictures of the races on which wagers are placed.

The conduct of pari-mutuel wagering.

(2) No other form of gaming may be conducted within the pari-mutuel wagering area except for Sports Betting.

(3) A casino which conducts pari-mutuel wagering shall do so through a hub.

(4) Pari-mutuel wagering in a casino shall be restricted to pools at tracks which have been approved in writing by the Board.

4. (1) An agreement for the conduct of pari-mutuel wagering between a casino and a track shall be in writing and shall be filed with the Board.

Agreements with tracks.

(2) No pari-mutuel wagering shall be conducted with a pool without the written approval of the Board of such an agreement between the casino and the track.

- (3) Any such agreement referred to in subparagraph (1) shall define and provide for —
- (a) fees payable;
 - (b) use of a hub;
 - (c) live transmission of races;
 - (d) provision of racing information;
 - (e) arrangements for payment between the track, the hub and the casino;
 - (f) accounting records and reconciliations;
 - (g) take-outs;
 - (h) breakage;
 - (i) unclaimed tickets;
 - (j) dedicated lines and fall-back arrangements for communication between the hub and the tracks;
 - (k) manual merge in the event of a system failure;
 - (l) responsibility and compensation for errors, and such other matters as the parties may wish to define and provide for and which are approved by the Board.

Wagering limited to designated area.

5. Pari-mutuel wagering shall be conducted only in the area designated and approved in writing by the Board as suitable in all respects including, but not limited to location, fixtures and fittings, general standard of comfort, security, surveillance and equipment.

No fee to be charged.

6. No fee shall be charged for placing a wager in addition to the amount wagered.

Ticket claims.

7. (1) A winning pari-mutuel ticket or credit voucher may only be presented for cashing at a pari-mutuel window or at a self service pari-mutuel machine in the pari-mutuel facility of the casino at which a ticket or voucher was issued.

(2) Payment of a winning wager will be made only upon presentation of appropriate pari-mutuel tickets.

(3) No claim shall be considered for tickets which have been discarded, lost, altered, destroyed or mutilated beyond identification.

Expiration of pari-mutuel tickets.

8. (1) A winning pari-mutuel ticket shall be presented for payment within six months of the date of issue after which it ceases to be valid.

(2) Notice of the expiration provision shall be prominently posted in the casino and printed on each pari-mutuel ticket sold.

9. (1) Except as provided in subparagraph (3) of this regulation, sums wagered in a casino on horse, harness or dog racing shall be combined with the pool of an approved track and the types of wagering, takeout, distribution of winnings and rules of racing shall be determined in accordance with the law or policy applicable to that track.

Operation of pools.

(2) A casino may join a common pool with tracks or entities in states or countries other than the state and country of the track at which the race or pool is located.

(3) A casino shall pay at least one dollar and five cents for each winning dollar wagered.

(4) A casino shall bear the loss of any negative breakage and may retain any positive breakage.

(5) A casino shall pay winning wagers in accordance with the official results at the track operating the pool whether or not the related wagering information from the casino was included in the pool.

10. Receipts in respect of positive breakage (less negative breakage) or from outstanding pari-mutuel tickets which are cancelled, or from “lost” tickets shall constitute part of the gross winnings of a casino for the purposes of taxation.

Taxation.

11. (1) The transmission of data between the casino and the hub, and between the hub and individual tracks, shall be by dedicated lines.

Dedicated lines between the casino, the hub and tracks.

(2) There shall be a minimum of one back-up line in a casino and such number of back-up lines as the Board may approve in the hub.

(3) The back-up lines referred to in subparagraph (2) may be dial-up lines.

(4) Each approved track shall have a cellular phone in its totalisator room.

12. The pari-mutuel counter in the casino, the hub facility and the totalisator room at each approved track shall have available a facsimile machine and a direct dial-up telephone line.

Facsimile machines and telephone lines.

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- Pool definition. **13.** (1) Prior to the start of wagering on a race, the track shall transmit a pool definition to the casino.
- (2) Upon receipt of the pool definition, pari-mutuel machines at the casino may be opened for wagering.
- Scratches. **14.** A track shall inform the casino via the hub as quickly as possible of any scratches or other pool change information after wagering has started and shall verify such information immediately by facsimile.
- Locking of pari-mutuel machines and end of wagering. **15.** (1) All pari-mutuel machines in the casino shall be locked at off-time.
- (2) No ticket may be issued after the totalisator has been locked or wagering has ceased, which ever occurs first.
- (3) Wagering shall cease not later than off-time.
- Cancellation of tickets. **16.** (1) Except as provided in this regulation, no pari-mutuel ticket shall be cancelled.
- (2) A pari-mutuel ticket with the value of five hundred dollars or less may be cancelled at any time prior to off-time.
- (3) A pari-mutuel ticket of any value may be cancelled before the end of the delay period if the customer has not left the pari-mutuel window at which the ticket was purchased or if the customer left the window without paying for or accepting the ticket.
- (4) A pari-mutuel ticket of any value may be cancelled before the off-time if the ticket is on a wager where probable payoffs or odds are not displayed to the public.
- (5) A pari-mutuel ticket of any value may be cancelled if the ticket is on an advance race and the race immediately preceding the race for which the cancellation has been requested has not been declared official.
- (6) A pari-mutuel ticket with a value of more than five hundred dollars which is not otherwise cancellable under the provisions of this regulation may be cancelled by a pari-mutuel shift supervisor if, after consultation with the hub, he or she determines that the cancellation will not significantly alter the related pool.
- (7) The factors to be considered before approving or disapproving a cancellation request include the size of the pool, the reason for the requested cancellation, current

odds, minutes to the start of the race, and any late changes such as track conditions or jockey (or driver) changes.

17. (1) A pari-mutuel ticket on a horse or dog that is scratched may be refunded. Refund.

(2) Pari-mutuel tickets representing wagers involving more than one horse or dog may be refunded only as to the combinations including the scratched horse or dog.

18. A casino which conducts wagering shall prominently display the approximate odds for each horse or dog in a race for the purpose of informing patrons of the actual wagering on each horse or dog. Display of odds.

19. (1) If for any reason pari-mutuel machines are closed during the wagering before off-time, they shall remain closed until after the race. Pari-mutuel machines closed.

(2) Wagering shall cease on that race and the payoffs for that race should be computed on the sums then wagered in each pool.

(3) In the event that a pari-mutuel ticket issuing machine is inadvertently closed for any reason, it may only be re-opened in the presence of a Gaming Board Representative.

20. The cost of overpayment caused by totalisator error, shall be borne by the operator of the totalisator equipment causing the error, and a provision to this effect shall be included in every agreement between a casino and a track. Overpayment caused by totalisator error.

21. (1) In the event of an irreparable breakdown of the totalisator or all pari-mutuel and self service pari-mutuel machines during the wagering on a race, the wagering on that race shall be declared closed, and the payoff at that race shall be computed on the sums wagered in each pari-mutuel pool at the time of the breakdown. Mechanical breakdown.

(2) In the event of a totalisator malfunction requiring the casino to purchase (by refund) any non-issued ticket “lost” in the totalisator, the casino shall bear the cost of losing tickets but may enjoy the benefit of winning tickets.

Emergency or special circumstances not covered by these Regulations.

22. In the event of an emergency or other unusual circumstances connected with pari-mutuel wagering in a casino which are not covered by these regulations, the pari-mutuel shift supervisor shall if possible consult with the hub (unless the issue is one where it would obviously be inappropriate to do so) and shall in any event promptly provide a written report to the Board.

Transmission failure.

23. (1) In the event of failure to transmit pari-mutuel information to a track, no further wagers shall be accepted in a casino unless and until the failure has been corrected.

(2) Each hub and track shall attempt to manually merge any wagers which have already been accepted but which have not been transmitted to the track due to the failure.

(3) Notice of the procedure referred to in paragraph (2) and of any backup procedure shall be posted in a prominent location in the casino pari-mutuel facility.

(4) If manual merging or recourse to the backup procedure is required, actual notice thereof shall be publicly announced in the casino facility.

Comingling notice.

24. (1) The casino shall display prominently in its pari-mutuel facility notice that it is comingling wagers in pools operated by approved tracks.

(2) Such notice shall further state that the procedures may result in changes in the pools and pari-mutuel odds during the running of a race.

Approval of a hub.

25. (1) Pari-mutuel wagering in a casino shall be conducted through a hub which has been approved in writing by the Board.

(2) Approval by the Board of a hub shall be on the basis of enquiries which include, but which shall not be restricted to, enquiries as to its ownership, management, security procedures, accounting controls and equipment.

Other enterprises.

26. Any other enterprise transacting business with a casino or hub in connection with pari-mutuel wagering shall also be approved in writing by the Board.

Equipment.

27. All equipment used in connection with pari-mutuel wagering in a casino shall be approved in writing by the Board including, but not limited to, pari-mutuel machines at the counter, self service pari-mutuel machines and credit voucher machines, and the equipment which links the casino operation to the hub.

28. A casino shall reconcile all simulcast wagers with the operator of each pool in which it participates on at least a weekly basis unless the casino and track agree otherwise and both notify the Board in writing of such alternative arrangement and describe such alternative arrangement in the agreement between the casino and the track.

Reconciliation with pools.

29. (1) A casino shall make available to patrons of its pari-mutuel wagering facility the following information for each race —

Availability of information.

- (a) the names of entrants;
- (b) sex;
- (c) colour;
- (d) year of birth;
- (e) their sires;
- (f) dams and maternal grand sires;
- (g) their wagering numbers;
- (h) post positions;
- (i) jockeys or drivers;
- (j) assigned weight;
- (k) morning line odds;
- (l) owner and owners colours or drivers colours;
- (m) trainers;
- (n) the distance and number of the race;
- (o) amount of purse; and
- (p) conditions and claiming price, if any.

(2) For harness races, the performance for at least the last six races of each entrant shall also be available.

(3) The availability of such information and the procedures for obtaining the information shall be displayed prominently in the casino wagering facility.

(4) The casino may charge patrons a fee for providing such information.