

TITLE 230 – DEPARTMENT OF BUSINESS REGULATION

CHAPTER 30 – COMMERCIAL LICENSING

SUBCHAPTER 30 – GAMING AND ATHLETICS

PART 4 – Simulcast Wagering

4.1 Authority and General Provisions

- A. Authority. This Regulation is promulgated pursuant to the Department's rulemaking authority under R.I. Gen. Laws § 42-14-17 to implement § 41-11-1 *et seq.* as delegated to the Department in § 41-1-1 and consistent with §§ 41-4-1 *et seq.* and 41-7-1 *et seq.*
- B. Application. Pursuant to R.I. Gen. Laws § 41-11-1 *et seq.*, the general provisions contained herein shall apply to all associations, as defined herein, conducting Simulcast and interstate/intrastate common pool wagering on any approved event, as defined herein.
- C. Licensees subject to rules. All licensees granted a permit by the Division for Simulcast and interstate/intrastate common pool wagering are subject to these rules and regulations.
- D. Amendments. These rules and regulations are subject to amendment from time to time and shall be amended in accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.* All licensees shall abide by any such amendment.
- E. Waiver. The Division in its discretion may waive any rule contained herein when such waiver shall be in the best interest of the State of Rhode Island.

4.2 Definitions, Constructions, Interpretations

- A. In applying the rules and regulations as contained herein, including all amendments thereto, the following definitions, constructions and interpretations shall apply:
 - 1. "Betting Interest" means one (1) or more Contestants in a pari-mutuel Contest which are identified by a single program number for wagering purpose.
 - 2. "Breakage" means the Net Pool minus Payoff.

3. "Commission" means a regulatory agency with the authority to regulate racing and or jai alai in another state.
4. "Contest" means a competitive racing or jai alai event on which pari-mutuel wagering is conducted.
5. "Contestant" means each individual race horse, greyhound, or jai alai player or team, that participates in a Contest.
6. "Coupled Entry" means two (2) or more Contestants in a Contest that are treated as a single Betting Interest for pari-mutuel wagering purposes.
7. "Day" means the normal business day of the facility on which the licensee may conduct multiple programs.
8. "Dead Heat" means the finish of a race in which the noses of two (2) or more horses or greyhounds reach the finish line at the same time.
9. "Division" means the Division of Gaming & Athletics, Department of Business Regulation, or the State of Rhode Island.
10. "Game" means a contest between jai alai players or teams on which pari-mutuel wagering is permitted at any licensed fronton.
12. "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.
13. "Handle" means the aggregate of all pari-mutuel pools, excluding wagers.
14. "Host Association" means an association conducting a licensed pari-mutuel Meeting from which authorized Contest or entire Performances are Simulcast.
15. "Inquiry" means an investigation by the Stewards of a foul before they declare the Contest official.
16. "Meeting" means the specified period and dates each year during which an association is authorized to conduct pari-mutuel wagering by approval of the Division.
17. "Minus Pool" means the situation when the amount of money to be distributed on winning wagers is in excess of the amount of money comprising the Net Pool.
18. "Mutuel Field" means two (2) or more Contestants in a Contest that are treated as a single Betting Interest for pari-mutuel wagering purposes

because the number of Betting Interests exceeds the number that can be handled individually by the pari-mutuel system.

19. "Net Pool" means the amount of gross ticket sales less refundable wagers and statutory commissions.
20. "Objection" means a verbal claim of foul before the Contest is declared official.
21. "Official Order of Finish" means the order of finish of the Contestants in a Contest as declared official by the Stewards.
22. "Official Starter" means the official responsible for dispatching the horses or greyhounds for a Race.
23. "Official Time" means the Official Time for a Race shall be the period from the first horse or greyhound crosses the starting point until the first horse or greyhound crosses the finish line.
24. "Off Time" means the moment at which, on the signal of the Official Starter, the doors of the starting gate are opened, officially dispatching the horses or greyhounds in each Contest, or the moment of the first serve in a jai alai Game.
25. "Outstanding Ticket" means a winning or refundable pari-mutuel ticket which was not cashed during the Performance for which it was issued.
26. "Pari-Mutuel System" means the electro-mechanical or computerized system and all software (including the Totalisator and off-site betting equipment) that is used to record bets and transmit wagering data.
27. "Patron" means a member of the public present on the grounds of a pari-mutuel association during a Meeting for the purpose of wagering or to observe racing or jai alai.
28. "Payoff" means the amount of money paid to winning wagers.
29. "Performance" means a schedule of Contests conducted on the same Day as authorized by the Division.
30. "Permit" means an authorization by the Division to an association to conduct Simulcast or interstate common and pari-mutuel wagering or a Contest at a specified location.
31. "Post Position" means the pre-assigned position from which a horse or greyhound will leave the starting gate, or the position assigned to a jai alai player or team.

32. "Post Time" means the scheduled starting time for a Contest.
33. "Profit" means the Net Pool after deduction of the amount bet on the winners.
34. "Profit Split" means a division of profit amongst separate winning Betting Interests or winning betting combinations resulting in two (2) or more Payoff prices.
35. "Program" means according to the requirement text:
 - a. The published listing of all Contests and Contestants for a specific Program.
 - b. A schedule of Races or Games of either a matinee or evening Performance.
36. "Race" means a Contest between horses or greyhounds at a licensed Meeting on which pari-mutuel wagering is permitted.
37. "Result" means that part of the Official Order of Finish used to determine the pari-mutuel Payoff
38. "Scratch" means the act of withdrawing an entered horse or greyhound from a Contest after the closing of entries.
39. "Simulcast" means the live audio and visual transmission of a Contest to another location for pari-mutuel wagering purposes. The Contest must be sanctioned and/or licensed in the state of origin.
40. "Single Price Pool" means an equal distribution of profit to winning Betting Interests or winning betting combinations through a single Payoff price.
41. "Starter" means a horse or greyhound which becomes an actual Contestant in a Race by virtue of the starting gate opening in front of it upon dispatch by the Official Starter.
42. "Steward" means a duly appointed racing official with powers and duties specified by rules by the state of origin.
43. "Totalisator" means the system used for recording, calculating, and disseminating information on ticket sales, odds and Payoff prices to Patrons of a pari-mutuel wagering facility.
44. "Winner" means the horse or greyhound whose nose reaches the finish line first or a horse which is placed first through disqualification by the Stewards, or a jai alai player or team who first reaches the required number of points in a game.

4.3 General Provisions

- A. **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 tickets. The association shall cash all valid winning tickets when such are presented for cash payment during the course of the meeting where sold, and for a specified period after the last Day of the Meeting.
1. To be deemed a valid pari-mutuel ticket, such tickets 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:
 - a. The name of the association operating the meeting.
 - b. The name of the association conducting the Contest for which the pari-mutuel ticket is issued.
 - c. A unique identifying number or code.
 - d. Identification of the terminal at which the ticket was issued.
 - e. A designation of the Performance for which the wagering transaction was issued.
 - f. The Contest number for which the pool is conducted.
 - g. The type or types of wagers represented.
 - h. The number or numbers representing the Betting Interests for which the wager is recorded.
 - i. The amount or amounts of the contributions to the pari-mutuel pool or pools for which the ticket is evidence.
 2. No pari-mutuel ticket recorded or reported as previously paid, canceled, or non-existent shall be deemed a valid pari-mutuel ticket by the association. The association may withhold payment and refuse to cash any pari-mutuel ticket not deemed valid.
- B. **Pari-Mutuel Ticket Sales.** No pari-mutuel ticket may be sold on a Contest for which 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 Totalisator is closed for wagering on such Contest.

1. Payment on winning pari-mutuel wagers shall be made on basis of the order of finish as purposely posted and declared "official." Any subsequent change in the order may result in the order of finish or award of purse money as may result from a subsequent ruling by the Stewards or Commission 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 changes shall be made to the public.
 2. The association shall have no obligation to enter a wager into a betting pool if unable to do so due to equipment failure.
- C. 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 errors is not correctly distributed among winning ticket holders, the following shall apply:
1. Verification is required to show that the amount of the commission, the amount in Breakage, and the amount in Payoffs is 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 underpayments are discovered after the close of the Meeting, the underpayment shall be held in the interest-bearing account approved by the Division until being added, together with accrued interest, to the corresponding pool of the next meet.
 2. 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 therefore.
 3. In the event the error results in an overpayment to winning wagers, the association shall be responsible for such payment.
- D. Display of Betting Information.
1. 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.
 2. The probable Payoff or amounts wagered, in total and on each Betting Interest, for other pools (excluding exotic wagers involving three or more Betting Interests) shall be displayed to the wagering public at intervals and in a manner approved by the Division.
 3. Official prices and Payoffs must be displayed upon each Contest being declared official.

- E. Canceled Contests. If a Contest is canceled or declared “no contest,” refunds shall be granted on valid wagers in accordance with these rules.
 - 1. Authorized refunds shall be paid upon presentation and surrender of the affected pari-mutuel ticket.
- F. Coupled Entries and Mutuel Fields. 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 Fields are Scratched then tickets on such Betting Interests shall be refunded, notwithstanding other provisions of these rules.
 - 1. 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.
- G. Closing of Wagering in a Contest. A Division representative shall verify the close of wagering for each Contest after which time no pari-mutuel tickets shall be sold for that Contest.
 - 1. The association shall maintain, in good order, a system approved by the Division for closing wagering.
- H. Emergency Situation. 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 Division representative and the association shall render a full report to the Division with 48 hours. The Division, at its discretion, may apply approved rules and regulations of jai alai, greyhound racing, or horse racing, or the Uniform Rules of Racing approved by the association of Racing and Commission International, in an event of an emergency not covered in these rules.

4.4 Simulcast Wagering

- A. Duties of Simulcast Host. Every Host Association Simulcasting its Performance, if requested, may contract with an authorized receiver for the purpose of providing authorized users its Simulcast.
 - 1. A Host Association is responsible for content of the Simulcast and shall use all reasonable effort to present a Simulcast which offers the viewers an exemplary depiction of each Performance.

2. Unless otherwise permitted by the Division, every Simulcast will contain in its video content a digital display of actual time of Day, the name of the host facility from where it emanates, the number of the Contest being displayed, and any other relevant information available to Patrons at the host facility.
 3. The Host Association shall maintain such security controls including encryption over its uplink and communications systems as directed or approved by the Division.
- B. Duties of Authorized Receiver. An authorized receiver conducts and operates a pari-mutuel wagering system on the results of Contest being held or conducted and Simulcast from the enclosures of one (1) or more Host Associations and with the approval of the Division.
1. An authorized receiver shall provide:
 - a. Adequate transmitting and receivable equipment of acceptable broadcasting quality, which shall not interfere with the closed circuit TV system of the Host Association for providing any host facility Patron information.
 - b. 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.
 - c. A voice communication system between each Guest Association and the Host Association providing timely voice contact among the Division designees, placing judges and pari-mutuel departments.
 2. The Guest Association and all authorized receivers shall conduct pari-mutuel wagering pursuant to the applicable Division rules.
 3. The Division may designate at least one official to supervise all approved Simulcast facilities and may require additional designees as is reasonably necessary for the protection of the public interest.
 4. The Guest Association receiving a live audiovisual signal of a Contest shall make available to the Division any necessary audiovisual equipment for monitoring the Simulcast wagering activities at the Host Association.
 5. Not less than thirty (30) minutes prior to the commencement of transmission of the Performance of pari-mutuel Contests for each Day or night, the Guest Association shall initiate a test program of its transmitter, encryption and decoding, and data communications to assure proper operation of the system.

6. The Guest Association shall, in conjunction with the Host Association or associations for which it operates pari-mutuel wagering, provide the Division with a certified report of its pari-mutuel operation as directed by the Division.
 7. The Guest Association shall establish procedures and maintain backup devices for its transmitter, encryption and decoding, and data communication in the event of a malfunction or equipment breakdown.
- C. Minus Pool. In the event that a Minus Pool occurs in any pari-mutuel pool of a Simulcast event, the expense of said Minus Pool shall be borne by the Guest Association and the State shall maintain its percentage of the total pool including half of the Breakage of the remaining pool.

4.5 Interstate/Intrastate Common Pool Wagering

- A. General. All contracts governing participation in interstate/intrastate common pools shall be submitted to the Division for approval.
1. 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 and Breakage, but will be held separate for auditing and all other purposes.
 2. Any surcharges or withholdings in addition to the takeout shall only be applied in the jurisdiction otherwise imposing such surcharges or withholdings.
 3. In determining whether to approve an interstate/intrastate common pool which does not include the host track, the Division will consider and may approve use of a bet type which is not utilized at the host track, application of a takeout rate not in effect at the host track, or other factors which are presented to the Division.
 4. 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/ intrastate common pool need not be identical to the similar information permitted or required to be displayed under these rules.
 5. Any licensee applying for a permit to Simulcast a Program from another jurisdiction when there is a corresponding live Contest of the same type occurring in the State of Rhode Island must first obtain approval from that association conducting the live Contest in Rhode Island. The Division shall then determine if such approval is in the best interests of both the licensees and the State.
- B. Guest State Participation in Interstate/Intrastate Common Pools.

1. With the prior approval of the Division, 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.
2. The Division may permit adjustment of the takeout from the pari-mutuel pool so that the take out rate in this jurisdiction is identical to that at the host track, or identical to that of other jurisdictions participating in a merged pool.
3. Where takeout rates in the merged pool are not identical, the net price calculation shall be the method by which the different takeout rates are applied.
4. Rules of racing as established for the Contest in the host state shall apply to the merged pool.
5. The Division shall approve agreements made between the association and other participants in interstate/intrastate common pools governing the distribution of Breakage between the jurisdictions.
6. If, for any reason, it becomes impossible to successfully merge the bets placed into the interstate/intrastate 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 permission of the Division, the association may alternatively determine to either pay winning tickets at the Payoff prices at the host track, or declare such accepted bets void and make refunds in accordance with the applicable rules.

C. Host State Participation in Merged Pools.

1. With the prior approval of the Division, an association licensed to conduct pari-mutuel wagering may determine that one (1) 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 the guest states be combined with corresponding wagering pools established by it as the host track or comparable wagering pools established by two (2) or more states.
2. Where takeout rates in the merged pool are not identical, the net price calculation shall be the method by which the different takeout rates are applied.
3. Rules of racing established for Races held in this State shall also apply to interstate common pools unless the Division shall have specifically otherwise determined.

4. The Division shall approve agreements made between the association and other participants in interstate/intrastate common pools governing the distribution of Breakage between the jurisdiction
5. Any contract for interstate/intrastate 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/intrastate common pool formed by the association, or if, for any reason, the Division's or the association's representative 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 measures taken which may result in the guest's wagers not being accepted into the pool.

D. Takeout Rates in Interstate/Intrastate Common Pools.

1. With the prior approval of the Division, an association wishing to participate in an interstate/intrastate common pool may change its takeout rate (within the limits permitted by the General Laws) so as to achieve a common takeout rate with all other participants in the interstate/intrastate common pool.
2. An association wishing to participate in an interstate/intrastate common pool may request that the Division approve a methodology whereby host and guest states with different takeout rates for corresponding pari-mutuel pools may effectively and equitably combine wagers from the different states into an interstate intrastate common pool.

230-RICR-30-30-4

**TITLE 230 - DEPARTMENT OF BUSINESS REGULATION (INCLUDES
THE OFFICE OF THE HEALTH INSURANCE COMMISSIONER)**

CHAPTER 30 - COMMERCIAL LICENSING

SUBCHAPTER 30 - GAMING AND ATHLETICS

**PART 4 - SIMULCAST WAGERING (FORMERLY RACING & ATHLETICS
REGULATION 6) (230-RICR-30-30-4)**

Type of Filing: Refile Capabilities

Department of State

Regulation Effective Date

Original Signing Date

Department of State Initials

Department of State Date