

ORDER OF THE WISCONSIN RACING BOARD AMENDING RULES

The Wisconsin Racing Board proposes an order to amend RACE 4.07(7), RACE 4.07(8), RACE 4.07(10) (b), RACE 7.02(3), RACE 7.05(1) (d), RACE 7.05(3), RACE 8.03(1) (c), RACE 8.03(1) (g), RACE 8.03(2) (a), RACE 8.04(2), RACE 8.14, RACE 10.03(3) (c), RACE 10.04(1) (f), RACE 10.05(2), RACE 10.06(2) (c), RACE 10.06(3), RACE 10.06(4) (b), RACE 10.06(5), RACE 10.07(5) (a), RACE 10.7(7) (b), RACE 10.07(9), RACE 10.07(14), RACE 10.07(15), RACE 10.07(16), RACE 10.07(18), RACE 10.07(20), RACE 10.07(21), RACE 10.08(5), RACE 10.09(2) (a), RACE 10.09(2) (d), RACE 10.09(2) (f), RACE 11.03, RACE 13.06, RACE 13.13(2), RACE 13.13(3), RACE 13.14(1), RACE 13.15 (title), RACE 13.15(2), RACE 13.15(4), RACE 13.15(5), RACE 13.23(14), RACE 14.09, RACE 14.18(1), RACE 15.04(1), RACE 15.04(3), RACE 20.04(5), ; and to create RACE 4.07(10) (c), RACE 4.07(11), RACE 4.07(12), RACE 4.10, RACE 7.05(3) (c), RACE 7.06(4) (f), RACE 7.10(2) (l), RACE 7.11, RACE 8.06(2) (f), RACE Chapter 9, RACE 10.02(8), RACE 13.05(1) (y), RACE 14.23, RACE 15.05(7), RACE 15.05(8), RACE Chapter 18, and RACE Chapter 19 relating to pari-mutuel racing and wagering thereon in Wisconsin.

ANALYSIS BY THE WISCONSIN RACING BOARD

Statutory Authority: s.562.02(1) (a) Stats.

Statutes Interpreted: s.562.02(1) (b), s.562.02(1) (f),
s.562.02(1) (h), s.562.04(2),
s.562.05(3), s.562.065(1),
s.562.07(3), s.562.09(1) (b),
s.562.09(2) (e).

Chapter RACE 4. Section 4.07(7), and (8) were amended to include Board approval of the number of crates per kennel. Section 4.07(10) (b) was amended so that the terms of the contractual provision apply during the life of the contract, and not just during the first two years. Section 4.07(10) (c) was added to provide that a kennel owner must file with the track, whenever a dog is leaving the track, the dog's destination, method and date of transportation and a name of hauler. Section 4.07(11), and (12), were created to require that the association enclose the starting box with an overhead structure, and include winterized sprint paths if the racing dates fall between November and March. Section 4.10 was added to provide for cancellation of races during inclement weather.

Chapter RACE 7. Section 7.02(3) was amended so that all greyhounds must have the specified numbers of past performance lines. Section 7.05(1) (d) was amended so that if a greyhound falls it will not be considered a starter if it would result in it being graded off, but would be considered a starter for wagering purposes. Section 7.05(3) (c) was added so that a greyhound may fail to finish in the top four positions in four consecutive starts in grade D before being lowered in grade.

Section 7.06(4)(f) requires maidens have at least three past performance lines, all other greyhounds must have four, prior to entry. RACE 7.10(2)(1) was added to establish qualifications for stewards, and s.7.11 was added to provide for assessing a fee against racetracks for salaries of Board personnel.

Chapter RACE 8. Section 8.03(1)(c) was amended to provide that the association shall bear the loss from all minus pools. Section 8.03(1)(g) requires deposit of funds as prescribed by the Director. Section 8.03(2)(a) was amended so that the references to tote board now reads "display devices." The same amendment was accomplished in s.8.04(2). Section 8.06(2)(f) was created to provide that a race shall be canceled in the event that no doors in the starting box have opened by the time the lure has reached the finish line. Section 8.14 was amended to change references to tote boards to display devices.

Chapter RACE 9. This chapter governs operation of the various pari-mutuel wagering pools.

Chapter RACE 10. Section 10.02(8) was created to provide a definition of magnetic tape. Section 10.03(3)(c) provided that the requirement would apply to magnetic tape or comparable medium. The same amendment was made in s.10.04(1)(f). Section 10.04(1)(s) changes to six months from one year the retention time for tapes. Section 10.05(2) was amended so that the requirements provide to racing programs, not racing days. RACE 10.06(2)(c) was amended to delete components as a reporting requirement. Section 10.06(c) was amended to provide for a six month, as opposed to a one year retention period for the specified information. RACE 10.06(4)(b) was amended to delete the requirement that locking devices must be independent from the console. RACE 10.06(5) was amended to change the word switch to device. RACE 10.07(5) was amended to change a log file to a printout. RACE 10.07(7)(b) was amended so that required information was provided to Board auditors. RACE 10.07(9) was amended to make grammatical corrections. RACE 10.07(14) was amended to require the association or track name be printed on computer reduce reports. RACE 10.07(15) was amended to delete the reference to the cashier accounting function. RACE 10.07(16) was amended to delete certain requirements for the functioning of the security subsystem for totalizers. RACE 10.07(18) was amended to require that emergency power operate for a minimum of 30 minutes. RACE 10.07(20) was amended to delete the requirement that comparisons occur every 60 seconds, and to require that any discrepancies will be reported to the director within 48 hours. A similar amendment was accomplished to 10.07(21). Section 10.08(5) deleted the reference to the source code format. Section 10.09(2) was amended to specify the background check fees, and licensure fees, applicable to totalizer companies.

Chapter RACE 11. Section 11.03 was amended to provide a fee for photocopying services.

Chapter RACE 13. Section 13.05(1)(y) added Director of Security as a racing official. Section 13.06 provides that a

license suspension in a particular category applies to all categories of occupation licenses. Section 13.13(2) and (3) were amended to reflect the requirements of s. 562.05(5)(b). Section 13.14(1) specifies both lessors and lessees are considered owners of a leased animal. Section 13.15 (title) was amended to reflect its applicability to kennel owners, the requirement of workmen's compensation coverage was made applicable to kennel owners, and it was specified a kennel owner must be licensed for each track with which the owner has a contract. Section 13.15(4), and (5) were amended to make the requirements applicable to kennel owners and not trainers. Section 13.23(14) was amended such that only security guards licensed by the Board and on duty, and on-duty police personnel, will be permitted to carry firearms within the grounds of the racetrack enclosure.

Chapter RACE 14. Section RACE 14.09 and 14.18(1) were amended to correct references to other sections of the Board's rules. Section 14.23 was created to establish the qualifications for the laboratory which will perform drug screening services for the Board, and to provide for assessment of fees for such services.

Chapter RACE 15. Section 15.04 was amended so that the references to dogs bred was changed to dogs whelped, and a reference to an occupation license was corrected. Section 15.05(7) was created to required that the trainer or each kennel be responsible for the maintenance upkeep and sanitary condition of the kennels. Section 15.05(8) was created to require annual rabies vaccinations for animals racing in Wisconsin.

Chapter RACE 18. This chapter was created to provide for the application, award, and distribution of special program funds pursuant to s.562.07, Stats. This chapter provides that application shall be made prior to October 1 of each year and distribution of such funds shall occur prior to December 31 of each year. This chapter also establishes accounting requirements for entities which receive funds, and also establishes provisions whereby a Certified Public Accountant or Board personnel will audit recipient agencies to ensure appropriate expenditure of Board disbursed funds.

Chapter RACE 19. Chapter RACE 19 was created to set forth factors and a schedule of penalties for rule violations.

Chapter RACE 20. Section 20.04(5) was amended to specify the licensure fee for food service concessionaires.

This concludes the analysis of chapters RACE 4, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19 and 20. Attached hereto is the fiscal estimate for the proposed rule.

CHAPTER RACE 4

DUTIES AND RESPONSIBILITIES OF ASSOCIATIONS AND RACETRACK OPERATORS

SECTION 1. RACE 4.07 (7) and (8) are amended to read:

RACE 4.07 (7)

(7) The association shall provide that crates in the lockout kennel shall all be at floor level and constructed of stainless steel, or a comparable impermeable material approved by the board, meeting the following size specifications: three feet wide, four feet deep and four feet high. The number of crates per kennel shall be approved by the board.

RACE 4.07 (8)

(8) The association shall provide that crates located in each kennel shall be constructed of stainless steel or a comparable impermeable material approved by the board, meeting the following size specifications: three feet wide, four feet deep and three feet high. The number of crates per kennel shall be approved by the board.

SECTION 2. RACE 4.07 (10) (b) is amended to read:

RACE 4.07 (10) (b)

(b) ~~"During the first two years of a kennel contract,~~ Track management has discretionary power to place a kennel on probationary status by written notification at any time a kennel's win record places it in the lowest three kennel positions during each of the three preceding months. A kennel can remove itself from probation by placing above three or more kennels in number of wins for any month during the next three months. Otherwise, track management has discretionary power to dismiss the kennel. The track must dismiss any kennel that has finished in the bottom four positions two out of the past three years and cannot re-book that kennel owner for five years. The Wisconsin racing board may grant an exemption to this rule due to acts beyond the control of the parties which could not be avoided by the exercise of due diligence. Track management can dismiss a kennel for other causes only subject to appeal to the board."

SECTION 3. RACE 4.07 (10) (c), (11) and (12) are created to read:

RACE 4.07 (10) (c)

(c) "The kennel owner shall enter into a clearly defined, written agreement with the owners of all greyhounds included in the kennel to ensure that in the event such a greyhound is to be removed from the racetrack, unless the greyhound's immediate destination is another racetrack, for racing purposes; or a breeding farm, for breeding purposes; or a greyhound pet placement program approved by ~~(name of track)~~ and the Wisconsin racing board, the greyhound shall be returned to the registered owner of the greyhound. Prior to receiving any greyhound's registration paper from ~~(name of track)~~ and/or removing any greyhound included in the kennel from the racetrack, the kennel owner or its designated representative shall sign a release form provided by ~~(name of track)~~ specifically indicating; the destination of the greyhound; the method and date of transportation; and name of hauler."

RACE 4.07 (11)

(11) The association shall provide that each starting box and loading area behind the starting box is covered by an overhead structure with the open sides of the structure enclosed with a chain link fence and at least one gate for entering and exiting.

RACE 4.07 (12)

(12) Any association whose race dates include performances in any of the months of November through March shall provide a winterized sprint path approved by the board.

SECTION 4. RACE 4.10 is created to read:

RACE 4.10

INCLEMENT WEATHER. An association shall obtain the approval of the stewards or director or designee prior to cancelling any race due to inclement weather. The stewards shall order cancellation of the race program or any portion thereof upon a determination that weather conditions pose a threat to the health of the greyhounds or personnel involved in the running of the race.

SECTION 5. RACE 7.02 (3) is amended to read:

RACE 7.02 (3)

(3) A certificate of registration for each greyhound shall be filed with the racing secretary by the trainer or kennel owner along with the last four performance lines, except for maidens, whose certificates shall contain the last two performance lines, when available. All greyhounds must meet the requirements of s. RACE 7.06 (4) (f).

SECTION 6. RACE 7.05 (1) (d) is amended to read:

RACE 7.05 (1) (d)

(d) A greyhound that falls in a race shall be considered a starter. However, a greyhound shall not be considered a starter if the start would result in the greyhound being graded off, but in this event the greyhound shall be considered a starter for purposes of pari-mutuel wagering.

SECTION 7. RACE 7.05 (3) is amended to read:

RACE 7.05 (3)

(3) DECLINE IN GRADE.

(a) Except as provided in par. (b), the racing secretary shall lower a greyhound to the next lower grade if:

1. The greyhound fails to finish in the top 3 positions in 3 consecutive starts; or

2. The greyhound fails to finish third or better at least once in 4 consecutive starts.

(b) The racing secretary shall lower a greyhound in grade D to the next lower grade if it fails to finish in the top 4 positions in 4 consecutive starts.

SECTION 8. RACE 7.06 (4) (f) is created to read:

RACE 7.06 (4) (f)

(f) Each greyhound shall have four past performance lines, except maidens shall have at least 3 past performance lines.

SECTION 9. RACE 7.10 (2) (1) is created to read:

RACE 7.10 (2) (1)

(1) All stewards are required to obtain a license as a steward from the board. All stewards shall have a knowledge of; the principles and practices of the pari-mutuel racing industry, the use of administrative rules and practices within the pari-mutuel industry, and the principles and practices of oversight of pari-mutuel racetrack operations. Stewards which are employees of the board or provide services to the board pursuant to a professional services contract shall comply with the following; s.562.045, Stats., and all published policies and procedures as set forth from time to time by the state of Wisconsin Department of Employment Relations. All salary ranges, benefits, etc. shall be set by Wisconsin Department of Employment Relations.

SECTION 10. RACE 7.11 is created to read:

RACE 7.11

RACE 7.11 FEES The board may require a fee to be paid by persons licensed pursuant to ss 562.05(1) (a) and (b), Stats. This fee shall supplement fundings received to accomplish the statutorily mandated regulatory responsibilities of the board. This fee will be determined by the board on an annual basis. All monies received pursuant to the rule shall be paid to the board, as designated by the board.

SECTION 11. RACE 8.03 (1) (c) is amended to read:

RACE 8.03 (1) (c)

The association shall file with the director within 48 hours after the close of each race day all board approved recapitulation documents pertaining to pari-mutuel taxes, special program taxes, breakage, refunds, admissions taxes owed and minus pools resulting, and the reason for the minus pool. Associations shall bear the loss of all minus pools incurred from their share of the commissions.

SECTION 12. RACE 8.03 (1) (g) is created to read:

(g) The association shall deposit funds as prescribed by the Director.

SECTION 13. RACE 8.03 (2) (a) is amended to read:

RACE 8.03 (2) (a)

(a) Before the association posts the payout prices of any pool the mutuel manager shall review the calculating sheets of such race and compare them to the prices on the ~~tote board~~display devices to ensure they agree. Such review shall show pay-breaks-commission which sets forth the payout to the public, breakage and retained commission, and added together, show they equal total pool. Calculating sheets are to be verified as to winners and prices. ~~Tote-Displayed board~~ prices are to be rechecked by the association before the end of the performance and any irregularities shall be reported to the board.

SECTION 14. RACE 8.04 (2) is amended to read:

RACE 8.04 (2)

(2) ODDS BOARD UPDATE.

There shall be operated in connection with such totalizator one or more odds boards and designated display devices. Approximate odds on each wagering interest in the win pool shall be updated on the odds board and designated display devices at intervals of not more sixty seconds.

SECTION 15. RACE 8.06 (2) (f) is created to read:

SECTION 8.06 (2) (f)

(f) In the case of a failure of all boxes to open, thereby preventing all animals from starting, an immediate decision shall be made by the stewards as to cancellation of the race. In the event the stewards allow the race to be run, they shall allow a period of 5 minutes for the cancellation of tickets and an announcement to this effect shall immediately be made to the public.

SECTION 16. RACE 8.14 is amended to read:

RACE 8.14

ERRORS IN POSTING PAYOUTS. If an error is made in posting the payout figures on the ~~totalizator board~~display devices, it shall be corrected by the association or totalizator system licensee. Only the correct amounts shall be used by the association in the payout regardless of the error on the ~~totalizator board~~display devices. If it is impossible to correct the posted payout because of ~~mechanical~~equipment failure, the

association shall cease all cashing of winning tickets and a statement shall be made by the association over the public address system stating the facts and corrections. The association shall be responsible for any overpayment or underpayment and shall be required to submit a report to the director within forty-eight hours after each occurrence. Any underpayment shall be remitted by the association to the board within forty-eight hours after the close of that race day.

SECTION 17. CHAPTER RACE 9 is created to read:

CHAPTER RACE 9

PARI-MUTUEL WAGERING POOLS

RACE 9.01 PURPOSE. The purpose of this chapter is to establish the types of wagering pools and manner of calculating payouts. No form of wagering other than those authorized by the board shall be implemented.

RACE 9.02 APPROVAL OF POOLS.

No wagering pool shall be conducted except in accordance with the rules of the board. Promulgation of rules governing operation of a pool shall not constitute prior approval of the board. Requests for new wagering pools shall be submitted by the association and accompanied by a proven totalizator program currently in use in the United States and rules governing each proposed wagering pool. An association may supplement any pari-mutuel pool to guarantee a minimum distribution with prior written approval from the board.

RACE 9.03 WIN POOL. The association shall deduct the amount wagered on the wagering interest which finishes first from the net pool, the balance remaining being the profit. The profit shall be divided by the amount wagered on the wagering interest finishing first, such quotient being the profit per dollar wagered to win; payout shall be return of amount wagered and profit.

(1) In the event of a dead heat for first involving animals of two different wagering interests, the win pool shall be distributed as if a place pool; if involving animals of three different wagering interests, the win pool shall be distributed as if a show pool.

(2) In the event no win ticket is sold on the wagering interest which finishes first, the net win pool shall be distributed to holders of win tickets on the animal

finishing second, if any; otherwise, among holders of win tickets on the animal finishing third.

RACE 9.04 PLACE POOL. The association shall deduct the amounts wagered to place on the first two animals to finish from the net pool to determine the profit. The profit shall be divided into two equal amounts; one-half of the profit shall be divided by the amount wagered to place on the first finisher, such quotient being the profit per dollar wagered to place on the first finisher; and one-half of the profit shall be divided by the amount wagered to place on the second finisher, such quotient being the profit per dollar wagered to place on the second finisher. Payouts shall be return of the amount wagered and profit thereon as to each of the first two finishers.

(1) In the event of a dead heat for first between animals representing two different wagering interests, the place pool shall be distributed as if one wagering interest finished first and the other finished second; if between animals representing three different wagering interest, the place pool shall be distributed as if a show pool.

(2) In the event of a dead heat for second between animals representing two or more different interests, the profit shall be divided in half with one-half allocated for wagers to place on the animal which finished first, and the other half divided equally so as to allocate one-fourth of the profit on the net place pool for wagers to place on each of two animals finishing in a dead heat for second, or one-sixth of the profits for wagers to place on each of the three animals finishing in a dead heat for second.

(3) In the event no place ticket is sold on an animal which finishes either first or second, then the place pool shall be distributed as a win pool and distributed to the holders of place tickets on the animal finishing first or second.

RACE 9.05 SHOW POOL. The association shall deduct the amounts wagered to show on the first three animals to finish from the net pool to determine the profit. The profit shall be divided into three equal amounts. One-third of the profit shall be divided by the amount wagered to show on the first finisher, such quotient being the profit per dollar wagered to show on the first finisher; one-third of the profit shall be divided by the amount wagered to show on the second finisher, such quotient being the profit per dollar wagered to show on such second finisher; and one-third of the profit shall be divided by the amount wagered to show on the third finisher, such quotient being the profit per dollar wagered to show on such third finisher. Payouts shall be return of amount wagered and profit thereon as to each of the first three finishers.

(1) In the event of a dead heat for first between two animals involving different wagering interests or three animals involving three different wagering interests, the show pool shall be distributed as if no dead heat occurred.

(2) In the event of a dead heat for second between two animals involving two different wagering interests, the show pool shall be distributed as if no dead heat occurred; if between three animals involving two or three wagering interests, one-third of the profit shall be allocated to wagers to show on the animal finishing first and the remaining two-thirds of the profit shall be divided equally by the number of wagering interests finishing in a dead heat for second for proportionate distribution on wagers to show for each wagering interest finishing in a dead heat for second.

(3) In the event of a dead heat for third between animals involving two or more wagering interests two-thirds of the profit shall be allocated to wagers to show on the first two finishers, and the remaining one-third shall be divided equally by the number of the wagering interests finishing in a dead heat for third for proportionate distribution on wagers to show for each wagering interest finishing in a dead heat for third.

(4) In the event only two animals finish in a race the show pool, if any, shall be distributed as if a place pool. If only one animal finishes, the place and show pools, if any, shall be distributed as if a win pool. If no animal finishes, all money wagered on the race shall be refunded upon presentation or surrender of pari-mutuel tickets sold.

(5) In the event no show ticket is sold on a animal which finishes first or second or third, then, the show pool shall be distributed as a place pool and distributed to the holders of show tickets on the animals finishing first, second or third.

RACE 9.06 DAILY DOUBLE WAGERING. The association shall deduct the amount wagered on the winning combination, such being the animal or wagering interest which finishes first in the first daily double race combined with the animal or wagering interest which finishes first in the second daily double race from the net pool to determine the profit; the profit is divided by the amount wagered on the winning combination, the quotient being the profit per dollar wagered on the winning daily double combination. Payout shall be the amount wagered and profit thereon.

(1) In the event of a dead heat for first involving two different wagering interests, in one of the two daily double races, the daily double pool shall be distributed as if a place pool, with half of the profit allocated to wagers

combining the single winner of one daily double race and one of the wagering interests involved in the dead heat in the other daily double race with the other half of the profit allocated to wagers combining the single winner of one daily double race and the other wagering interest involved in the dead heat in the other daily double race.

(2) In the event of dead heats for first involving different wagering interests in each of the daily double races, resulting in four, six, or nine winning combinations; profits shall be divided into a corresponding number of parts and calculated and distributed in the same manner as the show pool using the appropriate number of winning combinations in lieu thereof.

(3) If no ticket is sold combining both winners of the daily double, the net pool shall be apportioned between those having tickets including the winner of the first race of the daily double and those having tickets including the winner of the last race of the daily double, and shall be calculated and distributed as a place pool.

(4) If no ticket is sold including the winner of the first race of the daily double, the entire net pool shall be paid to the holders of tickets which include the winner of the last race of the daily double.

(5) If no ticket is sold including the winner of the last race of the daily double, the entire net pool shall be paid to the holders of tickets which include the winner of the first race of the daily double.

(6) If, after daily double wagering has commenced and an animal not coupled with another as a wagering interest in the daily double is excused by the stewards or is prevented from racing because of failure of the starting box to open properly, then daily double wagers combining such animal shall be deducted from the daily double pool and refunded upon presentation and surrender of daily double tickets.

(7) If, after the first race of the daily double has been run, and an animal not coupled with another as a wagering interest in the second race of the daily double is excused by the stewards or prevented from racing because of failure of the starting box to open properly, then daily double wagers combining the winner of the first daily double race with the animals prevented from racing in the second daily double race shall be allocated consolation payouts.

(a) Consolation daily double payouts shall be determined by dividing the net daily double pool by the amount wagered combining the winner of the first daily double race with every animal or wagering interest scheduled to start in the second daily double race,

such quotient being the consolation payout per dollar wagered combining the winner of the first daily double race with the animal prevented from racing in the second daily double race;

(b) Consolation payouts shall be deducted from the net daily double pool before calculation and allocation of wagers on the winning daily double combination.

(8) If for any reason either daily double race is cancelled or declared "no race" by the stewards, then the net daily double pool shall be distributed to wagering combinations which include the animal or wagering interest which finished first in the daily double race that is run.

(9) If no daily double ticket is sold requiring distribution, then the entire daily double pool shall be refunded upon presentation and surrender of daily double tickets.

RACE 9.07 QUINIELA WAGERING. The association shall deduct the amount wagered on the winning combinations, being the first two finishers irrespective of which animal finishes first and which animal finishes second, from the net pool to determine the profit; the profit shall be divided by the amount wagered on the winning combination, such quotient being the profit per dollar wagered on the winning quiniela combination; payout shall be the amount wagered and profit.

(1) In the event of a dead heat for first: between animals involving two different wagering interests, the net quiniela pool shall be distributed as if no dead heat occurred; if between animals involving three different wagering interests, the net quiniela pool is distributed as if a show pool and shall be allocated to wagers combining any of the three animals finishing in a dead heat for first.

(2) In the event of a dead heat for second: between animals involving two different wagering interests, the net quiniela pool shall be distributed as if a place pool and allocated to wagers combining the first finisher with either animal finishing in a dead heat for second; if between animals involving three different wagering interests, the net quiniela pool shall be distributed as if a show pool and allocated to wagers combining the first animal with each of the three animals finishing in a dead heat for second.

(3) In the event no quiniela ticket is sold combining the first finisher with one of the animals finishing in a dead heat for second, then the net quiniela pool shall be allocated to wagers combining the first finisher with the other animal finishing in a dead heat for second.

(4) In the event no quiniela ticket is sold combining the first finisher with either of the animals finishing in a dead heat for second, then the net quiniela pool shall be allocated to wagers combining the two animals finishing in the dead heat for second.

(5) In the event no quiniela ticket is sold combining the first finisher with either of the animals finishing in a dead heat for second, or combining the two animals which finished in a dead heat for second, then the net quiniela pool shall be distributed as if a show pool shall be allocated to wagers combining any of the first three finishers with any other animals.

(6) In the event no quiniela ticket is sold combining the first two finishers, then the net quiniela pool shall be distributed as if a place pool and allocated to wagers combining the first finisher with any other animals and wagers combining the second finisher with any other animal.

(7) In the event no quiniela ticket is sold combining animals or wagering interests as would require distribution then the entire quiniela pool shall be refunded upon presentation and surrender of quiniela tickets thereon.

RACE 9.08 EXACTA OR PERFECTA WAGERING. The association may offer exacta or perfecta wagering and these rules shall apply to both. The association shall deduct the amount wagered on the winning combination, being the first two finishers in exact order as officially posted, from the net pool to determine the profit; the profit shall be divided by the amount wagered on the winning combination, such quotient being the profit per dollar wagered on the winning exacta combination; payout shall be the amount wagered and profit thereon.

(1) If no ticket is sold on the winning combination of an exacta pool, the net pool shall be distributed equally between holders of tickets selecting the winning animal to finish first and holders of tickets selecting the second place animal to finish second.

(2) In case of a dead heat between two animals for first place, the net exacta pool shall be calculated and distributed as a place pool to holders of tickets of the winning combinations. In case of a dead heat between two animals for second place, the exacta pool shall be figured as a place pool, the holders of tickets combining the winning animal and the two animals finishing second participating in the payout.

(3) In the event of a dead heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and

distributed to those holding tickets on the other winning combination.

(4) If no tickets combine the winning animal with either of the place animals in the dead heat, the exacta pool shall be calculated and distributed as a place pool to holders of tickets representing any interest in the net pool.

(5) If no ticket is sold that would require distribution on an exacta pool as above defined, the association shall refund all tickets on the exacta pool.

RACE 9.09 QUINIELA DOUBLE WAGERING. The association shall deduct the amount wagered on the winning combination, being the quiniela winner in the first quiniela double race combined with the quiniela winner of the second quiniela double race from the net pool to determine the profit; the profit shall be divided by the amount wagered on the winning combinations, such quotient being the profit per dollar wagered on the winning quiniela double combinations; payout shall be the amount wagered and profit thereon.

(1) Each wagerer purchasing quiniela double tickets shall designate, at the time the tickets are purchased, a quiniela selection in both of the two quiniela double races for which tickets are sold. Quiniela double tickets shall be purchased for both of the two quiniela double races prior to the first of the two races, without any exchange between the first and second races.

(2) If the purchaser of a quiniela double ticket fails to select the quiniela of the first half of the quiniela double, no refund or return shall be made, except as provided elsewhere in this section and the circumstances or outcome of the second half of the quiniela double cannot change this result.

(3) If an animal is scratched in the first quiniela double race, all quiniela double tickets issued that include the scratched animal shall be refunded.

(4) If an animal is scratched in the second quiniela double race, the total amount of the winning combination in the first quiniela double race shall be divided into the net pool and this amount per dollar shall be multiplied times the amount wagered that included the scratched animal. This total shall be deducted from the net pool and shall be used to pay those tickets combining the winner of the second quiniela double race with the scratched animal. The balance of the net pool shall be paid to the holders of the tickets on the animals that finish first and second.

(5) If no quiniela double ticket is sold which represents the winning combination in the first quiniela double race,

the pool shall be divided among those tickets including one of the animals finishing first or second and distribution shall be calculated and made as a place pool.

(6) If no quiniela double ticket is sold which represents the winning combination in the second quiniela double race the pool shall be divided between those tickets that have the winning combination in the first quiniela double race and include one of the animals finishing first or second in the second quiniela double race and distribution shall be calculated and made as a place pool.

(7) If a quiniela double ticket is sold with the winning combination in the first quiniela double race and combines only one of the two winners in the second quiniela double race and no quiniela double ticket with the correct combination in the first quiniela double race includes the other winner, the entire pool shall be distributed as a win pool to the holders of those tickets.

(8) If a quiniela double ticket is sold with the winning combination in the first quiniela double race and none of those tickets include either the first or second animal in the second quiniela double race, the entire net pool shall be distributed as a win pool to holders of those quiniela double tickets that were sold with the winning combination in the first quiniela double race.

(9) In the event of a dead heat for place in the first quiniela double race, all tickets combining the first animal and any of the animals placing shall be considered holders of the winning combination in the first quiniela double race of equal status for distribution of the pool.

(10) In the event of a dead heat for place in the second quiniela double race, the net pool shall be divided, calculated and distributed as a place pool to the holders of tickets with the winning combination in the first quiniela double race and a combination in the second quiniela double race combining the first animal and any of the place animals.

(11) In the event of a dead heat by two animals for the place position in the second quiniela double race where no ticket combines the first animal with either of the place entries, one half of the profits of the pool shall be awarded to those tickets combining the winning combination in the first quiniela double race and the animal finishing first in the second quiniela double race; and one-fourth of the profits of the pool shall be awarded to those tickets combining the winning combination in the first quiniela double race and either of the animals finishing in the dead heat for second in the second quiniela double race.

(12) If for any reason either quiniela double race is cancelled or declared "no race" by the stewards, then the net quiniela double pool shall be distributed to wagering combinations which include the animals or wagering interests which finished first and second in the quiniela double race that is run.

RACE 9.10 TRIFECTA WAGERING. The association shall deduct the amount wagered on the winning combination, being the first three finishers in exact order as officially posted, from the net pool to determine the profit; the profit shall be divided by the amount wagered on the winning combination, such quotient being the profit per dollar wagered on the winning trifecta combination. The payout shall be both the amount wagered and the profit.

(1) If no ticket is sold on the winning combination, the profit shall be apportioned equally among the holders of tickets selecting the first and second place animals in exact order.

(2) If no ticket selecting the first and second animals is sold, the profit shall be apportioned equally among the holders of tickets selecting the first and third animals in exact order.

(3) If no ticket selecting the winning combination, the first and second animal, or the first and third animal is sold, the profit shall be apportioned equally among the holders of tickets selecting the second and third animals with any other animal in exact order.

(4) If no ticket requiring distribution of the pool pursuant to this rule is sold, the profit shall be apportioned equally among the holders of tickets selecting the animal finishing first.

(5) If no ticket requiring distribution of the pool pursuant to subs. (1), (2), (3) and (4) of this section is sold, the profit shall be apportioned equally among the holders of tickets selecting the animal finishing second.

(6) If no ticket requiring distribution of the pool pursuant to subs. (1), (2), (3), (4) and (5) of this section is sold, the profit shall be apportioned equally among the holders of tickets selecting the animal finishing third.

(7) If a race on which there is trifecta wagering results in a dead heat for first place, the winning combinations shall include the first two animals as finishing in either first or second and the animal finishing third.

(8) If a race on which there is trifecta wagering results in a dead heat for second place, the winning combinations shall include the animal finishing first and the two animals finishing in a dead heat as finishing in either second or third.

(9) If a race on which there is trifecta wagering results in a dead heat for third place, the winning combinations shall include the animal finishing first, the animal finishing second and either of the animals finishing in a dead heat for third as finishing third.

(10) In all combinations described in subs. (7), (8) and (9) of this section, the profit shall be divided in separate pools, calculated as a place pool and paid off accordingly.

(11) If a race on which there is trifecta wagering results in a triple dead heat or double dead heat, the net pool shall be divided by the number of all such win, place and show combinations thus formed, calculated as separate pools and paid off accordingly.

(12) If an animal is scratched or declared a nonstarter, no trifecta tickets designating such an animal shall be issued. All tickets previously issued designating such animal shall be refunded and the money representing those tickets shall be deducted from the total pool.

RACE 9.11 TWIN TRIFECTA WAGERING. The races in which twin trifecta pari-mutuel wagering is conducted by the association shall only be those designated by the board and a separate pool shall be established.

(1) Twin trifecta tickets shall be sold in not less than \$2 denominations; however, the association may elect to offer \$1 twin trifecta wagers in multiple wagers such as box, wheel, key or rundown provided each transaction has a minimum value of \$2.

(2) Each wagerer purchasing twin trifecta tickets shall designate the three selections as the first three animals to finish in that order in the first race of the two designated twin trifecta races.

(3) After wagering closes for the first half of the twin trifecta, the mutuel department shall divide the net distributable pool on the twin trifecta into two separate pools of equal amount.

(4) The monies in the first part of the divided pool shall be distributed to the holders of twin trifecta tickets selecting the first three animals, in order, on the first designated twin trifecta race.

(5) The term "first part of divided pool" shall mean one half of the net distributable pool of the total monies wagered in the twin trifecta on the current program only and, specifically excluding any carry over of any special cumulative second race twin trifecta pool from any previous program.

(6) The second part of the divided pool shall be placed in a separate pool to be distributed to holders of "second half" twin trifecta tickets selecting the first three animals, in order, on the second designated twin trifecta race.

(7) In the first half of the twin trifecta only, if there is a failure to select, in exact order, the first three animals, payouts shall be made on twin trifecta tickets in the following order of priority:

(a) Tickets selecting the win and place finishers in that order, 1-2-all. If no ticket is sold combining the win and place finish, then;

(b) Tickets selecting the win and show finishers in that order, 1-all-3. If no ticket is sold combining the win and show finishers;

(c) Tickets selecting the place and show finishers in that order, all-2-3. If no ticket is sold combining the place and show finishers, then;

(d) Tickets selecting the winner, 1-all-all. If no ticket is sold selecting the winner, then;

(e) Tickets selecting the place finisher, all-2-all. If no ticket is sold selecting the place finisher, then;

(f) Tickets selecting the show finisher, all-all-3;

(g) If subs. (7) (a), (b), (c), (d), (e) or (f) occurs, pools close and no exchanges may be accepted;

(h) If no ticket requiring distribution pursuant to twin trifecta is sold, a complete refund will be made of the entire twin trifecta pool on that program upon presentation and surrender of all twin trifecta tickets.

(8) In the first half of the twin trifecta race, if less than three animals finish or the stewards declare the event "no race" then the entire twin trifecta pool on that program shall be refunded.

(9) After the official declaration of the first three animals to finish in the first race of the twin trifecta, each wagerer holding a winning ticket shall, prior to the running of the second twin trifecta race, exchange the winning ticket for both the monetary value established by the mutuel department and a twin trifecta exchange ticket, and at that time shall select the three animals to finish in the second race of the twin trifecta in order as officially posted. No further money shall be required of holders of the winning tickets in order to make the exchange. No person involved in the wagering operation shall disclose the number of the winning trifecta tickets eligible for exchange in the second twin trifecta race, nor disclose any information regarding those tickets during the exchange process until the race terminating the twin trifecta has been declared official.

(10) No twin trifecta exchange ticket upon the second race shall be issued except upon surrender of the twin trifecta tickets from the first race as described in this section. Mutuel windows shall be open for the purpose of cashing and exchanging winning twin trifecta tickets only after the first half of the twin trifecta has been declared official.

(11) If a winning twin trifecta ticket from the first race is not presented for cashing and exchange within the time provided, the wagerer may still collect the monetary value attached to the ticket but forfeits all rights to any distribution of the second race twin trifecta pool.

(12) If a animal is scratched in the first race of the twin trifecta races, all twin trifecta tickets on the scratched animal shall be refunded. If a animal is scratched in the second race of the twin trifecta races, public address announcements shall be made and reasonable time shall be given for exchange of tickets on the scratched animal;

(a) In the event of a dead heat or dead heats in the first race of the twin trifecta, all twin trifecta tickets selecting the correct order of finish counting an animal in a dead heat as finishing in any position dead heated, shall be winning tickets. The payout shall be calculated as a place pool or as a show pool if there are multiple dead heats.

(b) In the event of a dead heat or dead heats in the second race of the twin trifecta, all twin trifecta tickets selecting the correct order of finish counting an animal in a dead heat as finishing in any position dead heated, shall be winning tickets. The association shall calculate the payout as described in sub. (11). The method of calculation used by the association shall be prominently displayed in a conspicuous area of the grandstand or published in the program.

(13) In the event there is no twin trifecta ticket issued accurately selecting the officially declared first three finishers of the second twin trifecta race, in the exact order, the second race pool, as divided earlier, shall be held for the next consecutive racing program and combined with that program's second race twin trifecta pool. Distribution of this special cumulative second race twin trifecta pool shall be made only upon selection, in the exact order, of the first three officially declared finishers of the second twin trifecta race.

(14) On the final program of any official race meeting, the entire accumulated second race twin trifecta pool shall be distributed except as provided in this section. In the event, on that final racing program, that no second half twin trifecta ticket accurately selects the officially declared first three finishers in exact order, the payouts on the twin trifecta shall be made in the same order of priority as provided in this section. If in the first race of the twin trifecta on the final day of race meeting, less than three animals finish, or if the stewards declare the event "no race," or if racing is cancelled prior to the first race of the twin trifecta, any cumulative twin trifecta pool shall be carried over to the first day of the next race meeting.

(15) In the second race of the twin trifecta, if less than three animals finish or if the stewards declare the event "no race" then the winning ticket holders who have cashed their tickets on the first half and have received an exchange ticket shall be entitled to share in the second half of that program's pool. Any cumulative second half twin trifecta pool from previous programs shall remain undistributed and shall be carried over to the next program unless the above circumstances occur on the final program of the race meeting. In that instance, those winning ticket holders who have cashed their tickets on the first half and have received an exchange ticket shall be entitled to share in the cumulative second half twin trifecta pool.

(16) In the event that racing is cancelled for any program after the first half, but prior to the running of the second half of twin trifecta the second part of the program's divided pool shall be evenly distributed to all holders of second half twin trifecta exchange tickets and winning first half twin trifecta tickets if not exchanged. Any cumulative twin trifecta pool shall remain undistributed and shall be carried over to the twin trifecta in the next program unless the above circumstances occur on the final program of the race meeting. In that instance, all holders of second half twin trifecta exchange tickets and winning first half twin trifecta tickets if not exchanged shall be entitled to share in the cumulative second half twin trifecta pool.

(17) After the first half of the twin trifecta and prior to the running of the second half of the twin trifecta, if the total number of scheduled starters become six or less, the second half race shall be cancelled. In the event the second half race is cancelled, the second part of that program's divided pool shall be distributed pursuant to RACE 9.11(16).

(18) Sale of twin trifecta tickets other than from pari-mutuel machines by licensed pari-mutuel clerks is prohibited.

(19) Twin trifecta wagering races shall be run consecutively.

RACE 9.12 SUPERFECTA WAGERING.

(1) The superfecta shall combine four animals in a single race by selecting the four animals that will subsequently finish first, second, third and fourth in that race. Payment of the ticket shall be made only to the purchaser who has selected the same order of finish as officially posted.

(2) The superfecta shall be calculated as an entirely separate pool.

(3) Superfecta tickets shall be sold in not less than \$2.00 denominations; however, the association may elect to offer \$1.00 superfecta wagers in multiple wagers such as box, wheel, key or rundown provided each transaction has a minimum value of \$2.00.

(4) If no ticket is sold on the winning combination of a superfecta pool, the net pool shall be distributed to the holders of tickets selecting the win, place and show finishers, in that order. If no ticket is sold combining the win, place and show finishers, the net pool shall be distributed to the holders of tickets selecting the win and place finishers. If no ticket is sold combining the win and place finishers, the net pool shall be distributed to the holders of tickets selecting the winner. If less than four finish and the race is declared official by the stewards, the payout shall be made to holders of tickets selecting the finishing animals in order, ignoring the balance of the selection.

(5) If no ticket is sold that would require distribution of the net superfecta pool to a winner as above defined, the association shall make a full refund of the net superfecta pool.

(6) In the event of a dead heat or heats, all superfecta tickets selecting the correct order of finish, counting an animal in a dead heat as finishing in either position dead heated, shall be winning tickets. The payout shall be calculated as a place pool.

(7) In the event of a scratch in the superfecta race no exchanges shall be made. All tickets which include the scratched animals shall be eliminated from further participation in the superfecta pool and shall be refunded.

(8) Superfecta tickets shall be sold only by the association through pari-mutuel machines programmed to print all selections on one ticket.

(9) Each association using this form of wagering shall post a reprint of the rule in bold print at conspicuous locations throughout the association's public areas. The locations of the posted rules shall appear in the program.

RACE 9.13 PICK (N) WAGERING.

(1) Each person participating in a Pick(N) pool shall select the winning animal in (N) consecutive races designated by the association. The number of contests so designated may be 4,5,6,7,8,9 or 10. Once an association has decided the number of contests comprising the Pick(N), it may not change that number in the middle of a meet without prior approval of the board. The contests so designated comprise the Pick(N) for that performance. The association shall issue the Pick(N) participant a ticket which shall reflect the participant's selections in the designated contests.

(2) A validly issued Pick(N) ticket timely surrendered to the association by the legal holder thereof shall be the only evidence of a person's participation in a Pick(N) pari-mutuel pool. The acceptance of a Pick(N) ticket by taking an issued ticket away from the window or terminal from which it is purchased shall constitute an acknowledgement by the purchaser of the correctness of the ticket, and each purchaser of a Pick(N) ticket agrees to be bound by the terms and provisions of this requirement, other board rules and regulations notwithstanding. Neither the association, totalizator company nor the state of Wisconsin shall be liable to any person for any ticket which is not a winning ticket in accordance with the provisions of this rule nor shall they, or any of them, be liable to any person for any Pick(N) ticket not delivered for any reason, including but not limited to, mechanical malfunction, electrical failure, machine locking, or other cause.

(3) The Pick (N) pool shall operate as follows:

(a) Pick(N) shall be composed of two separate and distinct pari-mutuel pools. At the option of the association, fifty or seventy-five percent of the gross amount of all sums wagered on Pick(N) tickets on each performance shall be paid into the pari-mutuel pool to be known as "the jackpot." The remaining fifty or twenty-five percent of the gross amounts of all sums wagered on Pick(N) tickets for that performance shall be paid into a pari-mutuel pool to be known as "the super four," "the super five," "the super six," "the super seven," "the super eight," "the super nine," or "the super ten," depending on the association's decision as to how many races or games comprise the Pick(N) wager. The association shall notify the board in writing before the beginning of each meet of its decision as to which one of the Pick(N) wagering and gross amounts split has been selected. Once the meet begins, no changes shall be allowed without the written approval of the board.

(b) Subject to the provisions of this section pertaining to refunds and after the deduction of all legal refunds, the net amount in the jackpot pool subject to distribution among winning ticket holders shall be distributed only among the holder of Pick(N) tickets which correctly designate all official winners of the contests comprising the Pick(N) for the performance.

(c) Subject to the provisions of this rule pertaining to refunds and after deduction of all legal refunds, the net amount in the Super(N) pool subject to distribution among winning ticket holders shall be distributed among the holders of Pick(N) tickets which correctly designate the most official winners of the contests comprising the Pick(N) for that performance.

(d) In the event there is no Pick(N) ticket issued which would entitle the ticket holder to the jackpot, the entire jackpot shall be carried over and included in the jackpot pool for the next performance. The jackpot shall be supplemented each performance by the amount added thereto from all previous performances' jackpot pools that have not been won by a holder of a Pick(N) ticket which correctly selects all official winners of the contests comprising the Pick(N) for any performance.

(e) In the event the accumulated jackpot has not been distributed prior to the closing day of the meeting in which the jackpot was generated, the accumulated jackpot and the net amount in the Super(N) pool subject

to distribution among winning ticket holders shall be distributed among closing day holders of Pick(N) tickets which correctly designate the most official winners of the contests comprising the closing day Pick(N). Where a split meet is held, all jackpot and Super(N) pools shall be distributed as stated in this section on the final day of each portion of the split meet.

(f) In the event the association is unable to distribute the jackpot from any prior performance by the end of its race meeting in accordance with the provisions of the immediately preceding paragraph due to cancellation of the final day of racing or any other reason beyond the control of the association, the jackpot shall be carried forward to the next race meeting conducted at the same location having a Pick(N). The carried over jackpot shall be included in the Super(N) pool during one day of the first 5 days of racing at the subsequent race meeting, as approved by the director. In the event a jackpot is carried forward under the provisions of this paragraph and the carry-over period exceeds 5 days then the jackpot shall be segregated in an interest bearing account and all interest earned on the jackpot shall accrue to the jackpot.

(g) In the event a Pick(N) ticket designates as a selection to win in any one or more of the contests comprising the Pick(N), a single wagering interest which is scratched, excused or determined by the stewards to be a non-starter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts, provided further, that in the event the win pool for two or more favorites is identical, the selection in the lowest program position shall be substituted for the non-starting selection.

(h) In the event one or more of the contests comprising the Pick (N) is cancelled for any reason, the distribution of the net amount subject to distribution in the Super(N) pool shall be among the holders of pari-mutuel tickets which correctly designate the most official winners in all of the remaining contests comprising the Pick(N) in such performances, except, that in the event there is officially cancelled or declared as no contest three or more of the contests comprising the Pick(5) through Pick(8), four or more of the contests comprising the Pick 9 or five or more of the contests comprising the Pick 10, all pari-mutuel tickets on the Pick(N) for

that performance shall be refunded, and the Pick(N) shall be cancelled for that performance. No person may win the jackpot unless that person holds a Pick(N) ticket which correctly designates the official winners of all the scheduled contests comprising the Pick(N) for that performance. The cancellation of one or more contests comprising the Pick(N) in any performance shall result in the contribution to the Super(N) pool of the amount contributed that day to the jackpot pool. The contribution to that performance's jackpot pool will then be distributed along with the remainder of the Super(N) pool to the winners of the Super(N) pool. Any contributions to the jackpot pool from prior performances will remain in the jackpot pool to be carried over and included in the jackpot pool for the next performance as prescribed in sub. (d).

(4) In the event of a dead heat for win between two or more animals in any Pick(N) race, all such animals in the dead heat for win shall be considered as the winner in the race for the purpose of distributing the jackpot and the Super(N) pools.

(5) Once the first contest of the contests comprising the Pick(N) in any performance has begun, and until the last of the contests is concluded, the association shall not report to the public, to any of the association's employees or to any other person, the number of tickets sold, total dollars wagered, or the number of tickets with potential to win the Pick(N) or any information whatsoever about such tickets. Furthermore, the totalizator system shall be constructed or programmed to suppress the publication or printing of any such information from the beginning of the first contest until the conclusion of the last of the contest comprising the Pick(N) in any one performance except for the total dollars wagered in the Pick(N) pool.

(6) No pari-mutuel ticket for Pick(N) shall be sold, exchanged or cancelled after the time of the close of mutuel windows for wagering in the first of the contests comprising the Pick(N), except for such refunds on Pick(N) tickets as are required under this rule.

(7) Any payment in excess of one hundred thousand dollars from any Pick(N) pool must be paid by a company check or certified check.

(8) Each jackpot pool shall have a cap which the jackpot pool may not exceed. The cap for a pick four jackpot pool shall be \$4,000 or 2,000 times the minimum wager, whichever is less. The cap for a pick five jackpot pool shall be \$30,000 or 15,000 times the minimum wager, whichever is less. The cap for a pick six jackpot pool shall be \$1,000,000 or 500,000 times the minimum wager, whichever is

less. The cap for a pick seven jackpot pool shall be \$1,000,000. The cap for a pick eight jackpot pool shall be \$2,000,000. The cap for a pick nine jackpot pool shall be \$5,000,000. The cap for a pick ten jackpot pool shall also be \$5,000,000. Prior to the opening of a meet the association may declare a cap for the jackpot pool less than the cap imposed above, provided the cap is in increments of \$1,000. Once the association has elected a cap the association shall not alter the cap without providing the board with prior written notice. If, at the close of any performance the amount accumulated in the jackpot pool equals or exceeds the cap, then at such time, the jackpot pool shall be frozen until it is won under the other provisions of this section. Thereafter, the jackpot pool is frozen under these provisions and 100% of all subsequent contributions shall go to the Super(N) pool and be distributed accordingly. Nothing herein shall affect the total distribution of both pools on the closing day of any meet or portion of a split meet.

(9) Prior to the opening of a meet at which a Pick(N) wager will be offered, the association may elect to force an early payout of the jackpot pool, as allowed by this rule and in no other manner. The election shall be made by informing the board in writing prior to the opening of the meet of the association's intent to force an early payout if the conditions of this rule for an early payout are met. If the election is made, then an early payout of the jackpot pool shall be made as follows. Within twenty-four hours after the jackpot pool reaches its cap, the association shall designate the performance at which the early payout shall be made by informing the board in writing of the designated performance. The designated performance shall be no sooner than six calendar days after the cap is reached and no later than thirteen calendar days after the cap is reached. If at the conclusion of the last contest comprising the Pick(N) of the designated performance, no wager has won the jackpot pool, then the funds in the jackpot pool shall be transferred to the Super(N) pool for the designated performance and distributed in the manner in which the Super(N) pool is distributed.

RACE 9.14 TRI-SUPERFECTA WAGERING. Tri-superfecta wagering by the association shall be permitted only upon application to and approval by the board:

(1) Tri-superfecta tickets shall be sold in not less than \$2 denominations; however, the association may elect to offer \$1 tri-superfecta wagers in multiple wagers such as box, wheel, key or rundown provided each transaction has a minimum value of \$2.

(2) Each wagerer purchasing tri-superfecta tickets shall designate three selections as the first three animals to

finish in that order in the first race of the two designated tri-superfecta races.

(3) After wagering closes for the first half of the tri-superfecta, the mutuel department shall divide the net distributable pool on the tri-superfecta into two separate pools of equal amount.

(4) The monies in the first part of the divided pool shall be distributed to the holders of tri-superfecta tickets selecting the first three animals, in order, on the first designated tri-superfecta race, in accordance with section RACE 9.10.

(5) The term "first part of the divided pool" shall mean one half of the net distributable pool of the total monies wagered in the tri-superfecta on the current program only and, specifically excluding any carry over of any special cumulative second race tri-superfecta pool, from any previous program.

(6) The second part of the divided pool shall be placed in a separate pool to be distributed to the holders of "second half" tri-superfecta tickets selecting the first four animals, in order, on the second designated tri-superfecta race, in accordance with section RACE 9.12.

(7) In the first half of the tri-superfecta only, if there is a failure to select, in the exact order, the first three animals, payouts shall be made on tri-superfecta tickets selecting in the following order of priority:

(a) Tickets selecting the win and place finishers in that order, 1-2-all. If no ticket is sold combining the win and place finish, then;

(b) Tickets selecting the win and show finishers in that order, 1-all-3. If no ticket is sold combining the win and show finishers, then;

(c) Tickets selecting the place and show finishers in that order, all-2-3. If no ticket is sold combining the place and show finishers, then;

(d) Tickets selecting the winner, 1-all-all. If no ticket is sold selecting the winner, then;

(e) Tickets selecting the place finisher, all-2-all. If no ticket is sold selecting the place finisher, then;

(f) Tickets selecting the show finisher, all-all-3.

(g) If subs. (7) (a), (b), (c), (d), (e) or (f) occurs, pools close and no exchanges shall be accepted.

(h) If no ticket requiring distribution pursuant to tri-superfecta is sold, a complete refund shall be made of the entire tri-superfecta pool on that program upon presentation and surrender of all tri-superfecta tickets.

(8) In the first half of the tri-superfecta race, if less than three animals finish or if the board of stewards declares the event "no race", then the entire tri-superfecta pool on that program shall be refunded upon presentation or surrender of tri-superfecta tickets.

(9) After the official declaration of the first three animals to finish in the first race of the tri-superfecta, each wagerer holding a winning ticket shall, prior to the running of the second tri-superfecta race, exchange the winning ticket for both the monetary value established by the mutuel department and a tri-superfecta exchange ticket, and at that time shall select four animals to finish in the second race of the tri-superfecta in exact order as officially posted. No further money shall be required of holders of the winning tickets in order to make the exchange. No person shall disclose the number of winning first half tri-superfecta tickets eligible for exchange in the second tri-superfecta race, nor shall any person disclose any information regarding those tickets during the exchange process until the race terminating the tri-superfecta has been declared official.

(10) No tri-superfecta exchange ticket upon the second race shall be issued except upon surrender of the tri-superfecta tickets from the first race as described in sub. (9). Mutuel windows shall be open for the purpose of cashing and exchanging winning tri-superfecta tickets only after the first half of the tri-superfecta has been declared official.

(11) If a winning tri-superfecta ticket from the first race is not presented for cashing and exchange within the time provided, the wagerer may still collect the monetary value attached to the ticket, but shall forfeit all rights to any distribution of the second tri-superfecta pool.

(12) If an animal is scratched in the first race of the tri-superfecta races, all tri-superfecta tickets on the scratched animal shall be refunded. If an animal is scratched in the second race of the tri-superfecta races, public address announcements shall be made and reasonable time shall be given for exchange of tickets on the scratched animal. In the event of a dead heat or dead heats in either the first or second race of the tri-superfecta, all tri-superfecta tickets selecting an animal finishing in any

position dead heated, shall be winning tickets. The payout shall be calculated as a place pool (or as a show pool if multiple dead heats).

(13) In the event there is no tri-superfecta ticket issued accurately selecting the officially declared first four finishers of the second tri-superfecta race, in the exact order, the second race pool as divided earlier, shall be held for the next consecutive racing program and combined with that program's second race tri-superfecta pool. Distribution of this special cumulative second race tri-superfecta pool shall be made only upon accurate selection, in the exact order, of the first four declared finishers of the second tri-superfecta race.

(14) On the final program of any racing meeting, the entire accumulated second race tri-superfecta pool shall be distributed except as provided in this section. In the event, on that final racing program, that no second half tri-superfecta ticket accurately selects the officially declared first four finishers, in exact order, the payouts on the tri-superfecta shall be made in the following order of priority:

(a) If there is a failure to select in order the first four animals, the pool shall be divided among holders of tri-superfecta exchange tickets selecting the first three animals in order; if there is a failure to select the first three animals, the pool shall be divided among holders of tri-superfecta exchange tickets selecting the first two animals in order; in case of a failure to select the first two animals, the pool shall be divided among holders of tri-superfecta exchange tickets selecting the winner to win; in case of a failure to select the winner to win, the pool shall be divided among holders of tri-superfecta exchange tickets selecting the animal finishing second to place; failure to select the animal finishing second to place, the pool shall be divided among holders of tri-superfecta exchange tickets selecting the animal finishing third to show; in case of a failure to select the animal finishing third to show, the pool shall be divided among holders of tri-superfecta exchange tickets correctly selecting the animal finishing fourth; in case of a failure to select the animal finishing fourth, the pool shall be divided among holders of all second half tri-superfecta exchange tickets.

(b) If in the first race of the tri-superfecta on the final day of the race meeting, less than three animals finish, or if the board of stewards declares the event "no race", or if racing is cancelled prior to the first race of the tri-superfecta, any cumulative tri-

superfecta pool shall be carried over to the first day of the next race meeting.

(15) In the second race of the tri-superfecta, if only three animals finish the race, the pool shall be divided among the holders of tri-superfecta exchange tickets selecting the first three animals, in the order of priority stated in section 9.10, ignoring the animal selected to finish fourth. If less than three animals finish or if the board of stewards declares the event a "no race", then the winning ticket holders who have cashed their tickets on the first half and received an exchange ticket shall be entitled to share in the second half of that program's pool. Any cumulative second half tri-superfecta pool from previous programs shall remain undistributed and shall be carried over to the next program unless the above circumstances occur on the final program of the race meeting. In this instance, those winning ticket holders who have cashed their tickets on the first half and have received an exchange ticket shall be entitled to share in the cumulative second half tri-superfecta pool.

(16) In the event that racing is cancelled for any program after the first half, but prior to the running of the second half of the tri-superfecta, the second part of that program's divided pool shall be evenly distributed to all holders of second half tri-superfecta exchange tickets and winning first half tri-superfecta tickets if not exchanged. Any cumulative tri-superfecta pool shall remain undistributed and shall be carried over to the tri-superfecta in the next program unless the above circumstances occur on the final program of the race meeting. In that instance, all holders of second half tri-superfecta exchange tickets and winning first half tri-superfecta tickets if not exchanged shall be entitled to share in the cumulative second half tri-superfecta pool.

(17) After the first half of the tri-superfecta and prior to the running of the second half of the tri-superfecta, if the total number of scheduled starters become six or less the second half race shall be cancelled. In the event the second half race is cancelled, the second part of that program's divided pool shall be distributed pursuant to sub. (16).

(18) Sale of tri-superfecta tickets other than from pari-mutuel machines from licensed, on duty pari-mutuel clerks shall be prohibited.

(19) Tri-superfecta wagering races shall be run consecutively.

RACE 9.15 DAILY TRIPLE WAGERING. The amount wagered on the winning combinations, being the animal or wagering interest.

finishing first in each of the three races comprising the daily triple, shall be deducted by the association from the net pool to determine the profit; the profit shall be divided by the amount wagered on the winning combination, the quotient being the profit per dollar wagered on the winning daily triple combination. The payout shall be the amount wagered and the profit:

(1) A daily triple may be given a distinctive name to be selected by the association conducting the races subject to the prior approval of the board.

(2) The daily triple pari-mutuel pool shall consist of amounts contributed for a selection for win only in each of three consecutive races designated by the association with the prior approval of the board. Each person purchasing a daily triple ticket shall designate the winning animal in each of the three races comprising the daily triple.

(3) The net amount in the pari-mutuel pool subject to distribution among winning ticket holders shall be distributed among the holders of tickets which correctly designate the winners in all three races comprising the daily triple.

(4) If no ticket is sold combining the three winners of the daily triple, the net amount in the pari-mutuel pool shall be distributed among the holders of tickets which include the winners of at least two of the three races comprising the daily triple.

(5) If no ticket is sold combining at least two winners of the daily triple, the net amount in the pari-mutuel pool shall be distributed among holders of tickets which include the winner of any one race comprising the daily triple.

(6) If no ticket is sold that would require distribution of the daily triple pool to a winner under this section, the association shall make a complete and full refund of the daily triple pool.

(7) If for any reason one of the races comprising the daily triple is cancelled, the net amount of the pari-mutuel pool shall be distributed as provided above in subs. (6), (7) and (8).

(8) If for any reason two or more of the races comprising the daily triple are cancelled, a full and complete refund shall be made on the daily triple pool.

(9) In the event a daily triple ticket designates a selection in any one or more of the races comprising the daily triple and that selection is scratched, excused or determined by the stewards to be a nonstarter in the race,

the actual favorite(s), as evidenced by the amounts wagered in the win pool at the time of the start of the race, shall be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

(10) In the event of a dead heat for win between two or more animals in any daily triple race, all animals in the dead heat for win shall be considered as winning animals in the race for the purpose of calculating the pool.

(11) No pari-mutuel ticket for the daily triple pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the three races comprising the daily triple, except for refunds on daily triple tickets as required by this section, and no person shall disclose the number or amount of tickets selecting winners of daily triple races until the stewards have determined the last race comprising the daily triple to be official. At the conclusion of the second of the three races comprising the daily triple, an association may, with the prior approval of the board, display potential distributions to ticket holders depending upon the outcome of the third race of the daily triple.

RACE 9.16 SIMULCAST. All rules of the board pertaining to wagering pools apply to all simulcast races on which wagering in Wisconsin is to be conducted, except as provided in this section. No wagering shall be conducted on a simulcast race unless prior written approval from the board has been obtained. Each licensee requesting approval shall submit, with the request, the procedures for accommodating wagering on entries and fields in the race(s) to be simulcast. These procedures shall also be approved by the board prior to the simulcast of the race.

SECTION 18. RACE 10.02 (8) is created to read:

RACE 10.02 (8)

(8) "Magnetic tape" means all magnetic media.

SECTION 19. RACE 10.03 (3) (c) is amended to read:

RACE 10.03 (3) (c)

(c) Include locking file cabinets for the sole use of board representatives within the work area and other locking storage facilities which can store computer printouts or magnetic tape or comparable medium and are sufficient in size to handle all board controlled wagering records for each individual association for a period of one year;

SECTION 20. RACE 10.04 (1) (f) is amended to read:

RACE 10.04 (1) (f)

(f) Access to magnetic log tapes or comparable medium and the computer log library tapes by the mutuel manager and employees of the mutuel department shall be prohibited. The possession of magnetic log tapes and computer log library tapes shall be retained by associations for a period of ~~one year~~ six months from the end of the race meet.

SECTION 21. RACE 10.05 (2) is amended to read:

RACE 10.05 (2)

(2) STATUS OF OUTS ACCOUNT.

The association shall ~~provide~~ make available to the board auditor each racing ~~day program~~ with a computer printout of outstanding tickets cashed during the previous racing ~~day program~~ and, at the request of the board auditor, produce, subject to the limitation in s.RACE 10.04(1) (c), the actual tickets requested which were cashed during a particular program.

SECTION 22. RACE 10.06 (2) (c) is amended to read:

RACE 10.06 (2) (c)

(c) Compute commissions and breaks; ~~and components,~~
and

SECTION 23. RACE 10.06 (3) is amended to read:

RACE 10.06 (3)

(3) FINAL CONFIRMATION.

For the purpose of confirming the final record of pari-mutuel sales for each race each association and totalizator licensee shall, for each wagering pool, obtain a computer printout or store on magnetic media the following information for each ticket issuing machine for ~~one year~~ six months:

SECTION 24. RACE 10.06 (4) (b) is amended to read:

RACE 10.06 (4) (b)

(b) One device located in the tote room for use as an emergency locking device ~~independent from the console.~~

SECTION 25. RACE 10.06 (5) is amended to read:

RACE 10.06 (5)

(5) CONTROL OF LOCKING DEVICES.

The locking control ~~switch device~~ referred to in s.RACE 10.06(4) shall be controlled by a board steward. This ~~switch device~~ shall disable all ticket issuing machines from issuing tickets instantaneously. The execution of the locking control ~~switch device~~ shall be noted by the ringing of the off-bell. It shall be the ultimate responsibility of the mutual department representative to assure that "stop wagering", meaning a cessation of all wagering, occurs. In no event shall the association allow bets to be accepted or tickets to be cancelled after the relevant stop wagering command has been issued.

SECTION 26. RACE 10.07 (5) (a) is amended to read:

RACE 10.07 (5) (a)

(a) Identify and record on the system ~~log file~~ printout which switch issued the stop wagering command;

SECTION 27. RACE 10.07 (7) (b) is amended to read:

RACE 10.07 (7) (b)

(b) All totalizator systems shall provide to the board auditor a computer printout ~~at intervals of not more than sixty seconds~~ of all dollars wagered on each wagering interest in the win pool and other wagering information given to the public during the wagering period, or such other wagering information as requested.

SECTION 28. RACE 10.07 (9) is amended to read:

RACE 10.07 (9)

(9) CONTROL ACCESS TO TOTALIZATOR COMPUTER EQUIPMENT.

Security or safeguard mechanisms or both shall be installed by the totalizator system licensee to prevent unauthorized access to totalizator computer equipment. This security shall be capable of ~~detecting authorized and preventing~~ unauthorized entry ~~through use of a password~~. Security systems meeting the above requirements shall be approved by the director or his designee.

SECTION 29. RACE 10.07 (14), (15) and (16) are amended to read:

RACE 10.07 (14)

(14) COMPUTER PRODUCED REPORTS.

All totalizator systems shall print on all computer produced reports, the ~~totalizator software's version number~~ association or track name, date of execution and time of day executed.

RACE 10.07 (15)

(15) MAGNETIC LOG FILES.

All totalizator systems shall use the magnetic log files as input for the accounting reports produced ~~in the cashier~~ accounting function.

RACE 10.07 (16)

(16) TOTALIZATOR SECURITY SUB-SYSTEM.

Totalizator program operation shall be under the control of a software security sub-system. This sub-system shall have the ability to validate user sign-on data entered through a ticket issuing machine and shall use table look-up techniques to determine which functions the user is permitted to perform when the totalizators are in use.

~~(b) The security sub system shall record on the system log file any attempt to:~~

- ~~1. Stop execution of the system;~~
- ~~2. Alter the contents of the memory or auxiliary storage device; or~~
- ~~3. Modify the sequence of instructions within the computer.~~

SECTION 30. RACE 10.07 (18) is amended to read:

RACE 10.07 (18)

(18) EMERGENCY POWER SOURCE.

Each totalizator system licensee shall provide an emergency or alternate system of electrical supply capable of providing enough power to operate the central processing units where data which has been accepted is stored for a minimum of thirty minutes.

SECTION 31. RACE 10.07 (20) and (21) are amended to read:

RACE 10.07 (20)

(20) TWO INDEPENDENT SETS OF POOL TOTALS.

All totalizator systems shall have the capability to maintain at least two independent sets of pool totals ~~and compare them at least every sixty seconds. An entry to the system logs shall be produced at any time a difference in final pool totals is encountered.~~ If it cannot be ascertained by the totalizator system licensee which final pool is correct, the highest pool total shall be used in all calculations, including payouts and commissions. All discrepancies shall be reported in writing to the director within forty-eight hours.

RACE 10.07 (21)

(21) LOSS OF COMMUNICATIONS REPORTS.

All totalizator systems shall detect ~~and write to the system log file and produce a hard copy report of lost~~ communication with hardware peripheral devices including the disc drives, printers, consoles, ticket issuing machines, and any other devices which may be part of the system configuration. ~~Also it shall include a message on the system log file indicating such loss of communication and the time of such loss.~~ In the event of a system failure a written report with hard copy back-up shall be required ~~and included in the hard copy reports of the system log file in writing to the director within forty-eight hours.~~

SECTION 32. RACE 10.08 (5) is amended to read:

RACE 10.08 (5)

(5) DUPLICATE COPY OF TOTALIZATOR PROGRAMS.

All totalizator system licensees shall maintain a duplicate copy of all totalizator programs to be used during the race meeting. The duplicate copy shall be in ~~source code format~~ or absolute program files and be placed on magnetic tape for storage. These tapes shall be placed under seal by the totalizator system licensee for the board and retained for future comparison with totalizator programs actually in use during the meet. These duplicate tapes shall be kept under the dual control of the totalizator system licensee and the board auditor and shall be retained on the premises of the association.

SECTION 33. RACE 10.09 (2) (a), (d), and (e) are amended to read:

RACE 10.09 (2) (a)

(a) An initial application and subsequent renewal applications for a license to operate as a totalizator system licensee in the state of Wisconsin shall be made on forms furnished by the board.

RACE 10.09 (2) (d)

~~(d) The board shall require each applicant to submit a five thousand dollar license application fee payable to the board for the purpose of covering background investigations and general operation costs. If the board approves an application for license pursuant to this rule, or renewal of such, the applicant shall, within ten days after the receipt of the board's notice of approval, file a written acceptance with the board and make payment of the required license fee.~~

~~1. For the issuance of a first year license, a five thousand dollar operation fee is required to operate per location.~~

~~2. Each subsequent license fee shall be determined as four thousandths of one percent of the handle generated during the previous calendar year at the race meet for which the license is sought.~~

(d) An initial background investigation fee of \$5,000 is payable to the board at the time of filing the application. Each subsequent application for a license shall not require a background investigation fee unless substantial change of ownership consisting of a transfer or sale of five percent or more of an ownership interest of the applicant has occurred.

RACE 10.09 (2) (e)

~~(e) The applicant shall submit with the application copies of all contracts with associations and instruments evidencing any indebtedness between the applicant and any and all associations.~~

(e) An annual license fee is payable to the board as follows:

1. In the first calendar year that a racetrack is operating, the applicant shall pay a license operation fee in the amount of five thousand

dollars for each race track located in Wisconsin at which the licensee intends to operate a totalizator system.

2. In the case of renewals of license, the applicant shall, file a written acceptance with he board and make payment of the required license fee in the amount of four thousandths of one percent (.00004) of the handle generated during the preceding calendar year at each racetrack at which the applicant has applied to operate a totalizator system, such license fee not to exceed ten thousand dollars annually at any one racetrack.

3. License fees required by this paragraph are payable within ten days after licensure.

RACE 10.09 (2) (f)

(f) If circumstances change or events occur after the filing of an application, the applicant shall submit an amendment to the board. Examples of such changes include, but are not limited to, a change of corporate officers, and the signing of additional contracts with associations.

SECTION 34. RACE 11.03 is amended to read:

RACE 11.03 OPEN RECORDS. The board shall make its records available to the public pursuant to subch. II of ch.19, Stats. The board shall charge a fee of \$.25 per page for any documents provided by the board. The board shall charge \$5.00 for a complete set of its rules.

SECTION 35. RACE 13.05 (1) (y) is created to read:

RACE 13.05 (1) (y)

y. Director of Security \$ 50.00

SECTION 36. RACE 13.06 is amended to read:

RACE 13.06 LICENSE TO PARTICIPATE. No person shall participate in a race meeting unless such person has been granted a license. A suspension or revocation of an occupation license, by the board or any other racing jurisdiction, shall apply equally to, and shall make the person subject to such suspension or revocation ineligible for, any category of occupation license.

SECTION 37. RACE 13.13 (2) is amended to read:

RACE 13.13 (2)

(2) CORPORATIONS.

All corporations having an interest in an animal shall file with the racing secretary and stewards at the time of filing application for an owner's license, a statement setting forth the names and addresses of all officers, directors and stockholders of said corporation, together with the amount of the respective holdings of each stockholder. The said statement shall be signed by the president of the corporation, attested to by its secretary, and the corporate seal attached. All officers, directors and ~~shareholders~~ owning directly or indirectly five percent or more of any class of stock of a corporation owners, directly or indirectly, of any equity or other ownership interest, or beneficial owners of 5% or more of the publicly held securities of a publicly traded corporation, shall be licensed as owners. These licensure requirements shall apply to all corporations owning any interest in an animal. Failure to meet these requirements shall render the animal ineligible for entry.

SECTION 38. RACE 13.13 (3) is amended to read:

RACE 13.13 (3)

(3) The applications under this section shall be accompanied by an affidavit which states that the applicant, any partner, officer, director or beneficial owner of five percent or more of any class of stock of a corporation, and any person with a present or future, direct or indirect financial or management interest in the application, to the best of the applicant's knowledge, meets the qualifications of s.RACE 13.07.

SECTION 39. RACE 13.14 (1) is amended to read:

RACE 13.14 (1)

(1) An applicant for an owner's license shall own in whole or in part, or lease an animal eligible to race at the race meeting where the applicant seeks to participate. In cases of a leased animal, both lessor and lessee shall be considered as owners for purposes of licensure. The animal shall be under the care of a trainer licensed by the board.

SECTION 40. RACE 13.15 (title) is amended to read:

RACE 13.15 (title) KENNEL OWNERS, TRAINERS AND ASSISTANT TRAINERS.

SECTION 41. RACE 13.15 (2) is amended to read:

RACE 13.15 (2)

(2) ~~Additionally,~~ An applicant for a trainer's license shall: ~~(a)~~ Have at least one racing animal to train which is eligible to race; and

SECTION 42. RACE 13.15 (4) and (5) are amended to read:

RACE 13.15 (4)

~~(3)~~(4) An applicant for a kennel owner's license shall:

(~~ba~~) Be capable of meeting the financial obligations incurred in the racing, training, and care of the racing animal in his care; and

(~~cb~~) Provide proof of having complied with sub.45.

(~~c~~) Obtain a license for each racetrack at which the kennel owner has a contract to own and operate a kennel.

RACE 13.15 (5)

~~(4)~~(5) An applicant for a ~~trainer's~~ kennel owner's license, who is otherwise not subject to the provisions of the workers' compensation statute (ch.102 Stats.), shall elect to be so bound pursuant to s.102.05, Stats., and no ~~trainer kennel owner~~ licensed in Wisconsin shall effect a withdrawal from these requirements. At the time of submitting an application for ~~trainers~~ a license, the applicant shall attach to the application evidence of insurance as required by s.102.28(2)(a), Stats., and 102.31, Stats., or a written order of exemption pursuant to s.102.282(b), Stats. Where an trainer applicant has no employees, and contemplates none, the trainer applicant shall attach an affidavit to this effect with ~~trainer's~~ the kennel owner application upon a form to be supplied by the board. If a trainer kennel owner subsequently does become an employer, the trainer applicant shall comply with this section and supply to the board the applicable evidence of compliance.

SECTION 43. RACE 13.23 (14) is amended to read:

RACE 13.23 (14)

(14) No person shall have been convicted of illegal possession of firearms. No person other than security guards licensed by the board and any other applicable licensing authority who are on duty, and on-duty police personnel, shall or be in possession of firearms on the grounds of the racetrack enclosure.

SECTION 44. RACE 14.09 is amended to read:

RACE 14.09 POSSESSION OF NEEDLES AND INJECTABLE PROHIBITED.

(1) Except as provided in RACE 14.09~~10~~, no person, except a veterinarian, shall have in his possession within any race track enclosure any hypodermic syringe or needle or any instrument capable of being used for the injection into any animal or human of any chemical substance.

(2) Except as provided in RACE 14.09~~10~~, no person, except a veterinarian, shall have in his possession within any race track enclosure any substance prepared for the purpose of being injected into an animal or human being.

SECTION 45. RACE 14.18 (1) is amended to read:

RACE 14.18 (1)

(1) A determination by the laboratory pursuant to these rules shall constitute prima facie evidence that the trainer has violated, or has failed to fulfill the duties specified in, s.RACE 14.16~~7~~.

SECTION 46. RACE 14.23 is created to read:

RACE 14.23 TESTING LABORATORY.

(1) QUALIFICATIONS.

Any laboratory selected to perform testing services for the board shall, at a minimum, meet all requirements established by the board in the request for proposal or request for bid issued pursuant to subchapter IV of Ch.16, Stats. These shall include, but not be limited to;

(a) Chain of custody procedures sufficient to allow introduction of test sample results as evidence in administrative hearings before the board or in judicial proceedings in the circuit courts of Wisconsin;

(b) Personnel with background sufficient to qualify as expert witnesses in the detection of substances in bodily fluid samples in hearings before the board or the circuit courts of Wisconsin.

(c) Participation in a program to evaluate and ensure laboratory quality control;

(d) Drug specific immunoassay testing which may include, but is not limited to, Particle Concentration Fluorescence Immunoassay (PCFIA), Enzyme Linked Immunosorbent Assay (ELISA), Radio Immunoassay (RIA), or any combination, to perform screening and detection

tests of urine and blood samples for drug synthetic narcotics, opiates, stimulants, steroids, anti-inflammatories, depressants, muscle relaxants, tranquilizers and anti-biotics;

(e) Confirmation procedures utilizing gas chromatography-mass spectrometry (GC/MS) or other alternative computer aided instrument method of appropriate methodology;

(f) One year of experience as a testing laboratory for another racing jurisdiction in North America utilizing the testing methodologies in subs. (d) and (e);

(g) One member of the laboratory personnel shall be a registered member of the Association of Official Racing Chemists (AORC), who shall attend the annual meeting of the AORC at the laboratory's expense;

(h) No laboratory staff, officer, director or holder of 25% or more of the ownership interest in the laboratory shall have a financial interest, either directly or indirectly, in racing greyhounds, any entity licensed by the board, the racing industry, or any other conflict of interest, including those contained in s.562.025, Stats.

(2) PROCEDURES.

The board shall select a laboratory pursuant to a request for proposal or request for bid issued pursuant to the procedures set forth in the Department of Administration's procurement manual as required by subchapter IV of Ch. 16, Stats. No laboratory shall be selected which does not meet all requirements of the request for proposal or request for bid.

SECTION 47. RACE 15.04 (1) is amended to read:

RACE 15.04 (1)

(1) No animal that participates in races upon which pari-mutuel wagering is conducted in this state, and no animals which are ~~bred and whelped~~ or trained in this state for racing, shall be trained on a live lure or bait.

SECTION 48. RACE 15.04 (3) is amended to read:

RACE 15.04 (3)

(3) Any occupation licensee who violates this section shall have his ~~other~~ occupation license revoked for life.

SECTION 49. RACE 15.05 (7) and (8) are created to read:

RACE 15.05 (7)

(7) The trainer of each kennel shall be responsible for the proper maintenance, upkeep and sanitary condition of the kennel, crates and turn-out pens.

RACE 15.05 (8)

(8) All greyhounds kenneled at a racetrack licensed under s.562.05(1)(a) and (b), Stats., shall be vaccinated annually for rabies. If a greyhound has not been vaccinated within one year prior to kenneling at the racetrack, vaccination shall occur within one week of arrival. Copies of current rabies certifications evidencing vaccination within one year which are signed by a licensed veterinarian shall be recorded with the board steward. When a greyhound's vaccination date is more than one year from the current date, a new vaccination shall occur, and certificate filed, within one week.

SECTION 50. Chapter RACE 18 is created to read:

CHAPTER RACE 18

SPECIAL PROGRAMS

RACE 18.01 APPLICATION PROCEDURES.

(1) PROCEDURES.

(a) Pursuant to s.562.07, Stats., the board shall annually distribute such funds as are available under ss.20.192(2)(g) and 562.02, Stats., for the purposes enumerated in s.562.07(1), Stats. Applicants for such funds shall submit a completed application, containing such information as is required by the board, to the board's office at 150 E. Gilman, Room 1000, Madison, Wisconsin 53703, no later than October 1 of each year.

NOTE: These application forms may be obtained from the board's office at 150 E. Gilman, Room 1000, Madison, Wisconsin 53707.

(b) Any application not containing all information required by the board shall be deemed incomplete. Any application containing a proposed budget not sufficiently detailed so as to specifically inform the board how all requested funding will be spent shall be deemed to be incomplete. Applications deemed incomplete shall be returned to the applicant, with a written explanation as to how the materials are incomplete and a date by which the additional materials are to be submitted, within thirty days of the board's receipt of the application. No incomplete application shall be considered.

(2) ELIGIBLE ENTITIES.

Any private, not for profit entity, or any governmental entity or unit or subdivision thereof, may apply to the board for funds pursuant to s.562.07, Stats. An applicant shall be considered a not for profit entity if it has a current 501(c)(3) [26 U.S.C. 501(c)(3)] Internal Revenue Service ruling or it is a domestic corporation defined by s.181.02(4), Stats., which has met all the requirements of ch.181, Stats.

RACE 18.02 FUNDING PRIORITIES.

No award of funds shall be made for a purpose not enumerated in s.562.07, Stats. In considering applications for funds, the board shall consider the following factors in determining whether to award funding; the character, experience and financial

integrity of the applicant; the sources of revenue of the applicant; the extent to which there exists a demonstrated unmet need for the proposed program; the extent to which an award of funds would eliminate the unmet need; commitment and ability of the applicant to provide the services described in the application; and the extent to which an award of funds would result in the provision of goods or services or both directly to those identified by the applicant as needing the goods or services or both.

NOTE: An example of the last requirement would be funding the salary of a canine nutrition researcher as opposed to retirement of existing debt or leasing of office equipment.

RACE 18.03 AWARD OF FUNDS.

No later than December 31 of each year, the board shall inform all applicants of the decision made relative to their applications and shall distribute all those funds awarded. All awards are subject to the availability of funds as specified in ss.20.192(2)(g), 562.07, Stats.

RACE 18.04 USE OF FUNDS.

(1) All funds awarded by the board must be used as set forth in the application which served as the basis for the award. The recipient of funds shall not change, modify, revise, alter, amend, or delete any part of the services it has agreed to provide in the application without first obtaining the written consent for such change, modification, revision, alteration, amendment or deletion from the board.

(2) When, upon request of the recipient, the recipient has demonstrated that, in good faith, it has attempted to comply with the terms specified in the application, but for unforeseen circumstances beyond its control were not able to comply, a modification shall be considered by the board.

NOTE: An example would be funding provided for a new staff position, but the recipient was not able to locate a qualified candidate to fill the position and has demonstrated an intent to hire a new staff person.

(3) To request a modification the recipient shall:

(a) Notify the board and identify the requested modification;

(b) Submit a written explanation of the circumstances requiring modification with a new proposed budget itemizing the requested modification for expending board funds;

(4) The explanation shall be reviewed by the board and approved by the board if the requested modification is consistent with the

original intent of the recipient's application and services.

(5) Upon approval or denial of the request by the board the recipient shall be so notified.

(6) Failure to meet the requirements of this section shall result in the recipient's disqualification from future funding for a period of time as determined by the board. The board shall consider the amount of funds involved, the ultimate destination of the funds and the recipient's good faith efforts to comply with the requirements of the section.

RACE 18.05 ACCOUNTING REQUIREMENTS.

(1) Each recipient shall establish and maintain a formal modified accrual accounting system in accordance with generally accepted accounting principles of the American Institute of Certified Public Accountants (AICPA) to include a level of documentation, classification of entries and audit trails sufficient to meet the requirements of this chapter.

(2) All accounting entries shall be supported by source documents, recorded in books of original entry, and posted to a general ledger on a monthly basis.

(3) For programs funded by the board, expenses shall be recorded by specific program. All expenses not funded by the board may be booked in total.

(4) All fiscal records shall be maintained by the recipient for five years after the end of the funding period. In instances involving unresolved issues arising from an audit, pending litigation or unresolved tax issues, records related to the unresolved issues shall be retained until the issues are resolved.

RACE 18.06 AUDITS.

(1) Each recipient shall have an annual audit performed at the close of its fiscal year. This audit is to be performed in accordance with generally accepted auditing standards by an independent certified public accountant registered by the state of Wisconsin. The resulting audit report is to be prepared in accordance with the American Institute of Certified Public Accountants (AICPA) industry audit guide. The report shall contain the basic financial statements presenting the financial position of the agency, the results of its operations, and changes in fund balances. The report shall also contain the auditor's opinion regarding the financial statements taken as a whole, or an assertion to the effect that an opinion cannot be expressed. If the auditor expresses a qualified opinion, a disclaimer of opinion, or an adverse opinion, the reason therefor shall be stated.

(2) The latest audit report shall be filed with the board within 120 days of the end of the recipient's fiscal year.

(3) A request for an extension of time to file an audit report shall be submitted in writing sixty days prior to the deadline for filing the audit report. This request shall be approved or disapproved within thirty days of the deadline for filing the audit report. Requests are to be directed in writing to the board.

(4) A request for an extension of time to file an audit report shall only be granted when the auditor submits a signed statement certifying that the audit cannot be completed in the designated time due to circumstances beyond the control of the auditor and the recipient. The auditor's statement shall also detail the circumstances which form the basis for this request. No extension shall be for a period greater than thirty days.

(5) Recipients shall also be subject to audit by board personnel to determine whether the funds awarded by the board are being used in accordance with proposed budget contained in the application. A recipient may request the board waive the requirement of sub. (1) and be audited solely by Board personnel due to the recipient's financial inability to comply. This request shall be made with the application for funds, and shall be granted or denied by the board contemporaneous with the award of funds.

(6) The following supplementary financial information for each fiscal year must be included in the audit reports:

(a) A schedule of income by source shall be provided. Individual sources of income shall not be combined. For example: funds received from several state or federal agencies should not be combined into one classification such as "state of Wisconsin" or "federal government."

(b) A schedule of operating expenses by program shall be provided. The term "operating fund" includes all funds a recipient may have in its accounting records except those in a capital fund or contingency reserve. The certified public accountant shall record the expenses by program. The resulting statement shall include funded and unfunded programs alike. It shall include an allocation of administrative expenses and overhead costs to the various programs as specified in the proposed budget. The certified public accountant shall clearly establish his or her position regarding the reliability of the supplementary financial information presented in the schedules of income by source and expenses by program-operating fund, in addition to rendering an opinion concerning the financial statements as a whole. This shall be done either by extending the overall opinion on the financial statements or by means of a supplementary opinion. If the independent

auditor determines that the additional procedures necessary to permit a supplementary opinion to be rendered on the schedule of operating expenses would materially increase the audit time, the auditor may, alternatively, state the most likely source of the necessary information and the extent of the examination and responsibility he or she assumed, in the manner of a disclaimer, to call attention in the statement to any questions he or she may have as to the quantity, source, or destination of the recipient's operation funds. The independent auditor shall communicate in written form any material weakness in the recipient's internal controls when it impacts on the board's funding. Copies of these communications shall be forwarded to the board with the audit report.

SECTION 51. CHAPTER RACE 19 is created to read:

CHAPTER RACE 19

SCHEDULE OF SUSPENSIONS, REVOCATIONS AND FORFEITURES

RACE 19.01 PURPOSE. This chapter sets forth the factors and schedule of penalties to be utilized by the stewards and the board in assessing a penalty for a violation of ch.562, Stats., or the board's rules.

RACE 19.02 SCOPE. This chapter shall apply to all violations of ch.562, Stats., or the board's regulations for which either a listing of factors to be considered or a specification of penalties is not contained elsewhere in ch.562, Stats., or the board's rules.

RACE 19.03 FACTORS IN AGGRAVATION AND MITIGATION. In assessing a penalty the following factors shall be considered:

- (1) The age and experience of the violator;
- (2) The number of previous rule violations for the same or related offense;
- (3) The total number of racing rule or statute violations assessed against the violator;
- (4) Actions taken by the violator to avoid the violations;
- (5) The extent of the violator's direct involvement in the violation;
- (6) The effect of the violation on innocent third parties;
- (7) The extent the violator would profit from the misconduct;
- (8) The effect on revenue to units of government, or other state interests including, but not limited to, the public's perception of the integrity of racing and wagering thereon;
- (9) Whether the violator acted negligently, willfully or recklessly; and
- (10) Any other factor which is material and relevant to the case.

RACE 19.04 RANGE OF PENALTIES.

(1) The following classes of violations shall subject the violator to the penalties set forth below:

(a) Any violation which affects, or could reasonably be expected to affect, the outcome of a race shall be subject to a maximum forfeiture of \$10,000, lifetime suspension or revocation of licensure or any combination;

(b) Any violation which affects, or could reasonably be expected to affect, the integrity of the pari-mutuel wagering process or the public perception of the same, shall be subject to a maximum forfeiture of \$10,000, lifetime suspension or revocation of licensure or any combination;

(c) Any violation which affects, or could reasonably be expected to affect, the health, safety or welfare of any licensee or member of the public shall be subject to a maximum forfeiture of \$10,000, lifetime suspension or revocation of licensure or any combination;

(d) Any violation which affects, or could reasonably be expected to affect, the health, safety or welfare of a racing animal shall be subject to a maximum forfeiture of \$5,000, suspension of licensure not to exceed 10 years, or revocation of licensure or any combination;

(e) Any violation which decreases the ability, or could reasonably be expected to decrease the ability, of the board to exercise its regulatory functions shall be subject to a maximum forfeiture of \$10,000, or suspension of licensure not to exceed 5 years or revocation of licensure or any combination;

(f) Any violation which affects, or could reasonably be expected to affect, the functioning and operation of a race meeting shall be subject to a maximum forfeiture of \$1,000, licensure suspension not exceed 5 years or revocation of licensure or any combination;

(g) Any violation by an occupational licensee which is not previously categorized shall be subject to a maximum forfeiture of \$1,000, licensure suspension not to exceed one year or revocation or any combination.

(h) Any violation for which the board determines the assessment of the maximum penalty provided in sub. (d), (e), (f) or (g) would be insufficient to adequately address the misconduct shall be subject to maximum forfeiture of \$10,000, lifetime suspension or revocation of licensure or any combination, upon a specific finding by the board, including the reasons why, the imposition of a harsher penalty is warranted.

SECTION 52. RACE 20.04 (5) is amended to read:

RACE 20.04 (5)

(5) The board shall required a fee for licenses to cover background investigations and general operations. The fee for the license for the first year of the operation shall be first year license will be set at fifteen hundred dollars for food service concessionaires. Subsequent license fees for food service concessionaires shall be \$5.00 per performance granted tot he track at which the licensee operates. All other concessionaires will be required to pay an annual one hundred dollar license fee.

This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 225.22(2)(intro), Stats.

Dated 5-18-90

Agency: Terence M. Dunleavy M/344
Terence M. Dunleavy
Executive Director
Wisconsin Racing Board



Executive Director
Terence M. Dunleavy

Governor
Tommy G. Thompson

WISCONSIN RACING BOARD

150 East Gilman Street, Suite 1000
Post Office Box 7975
Madison, Wisconsin 53707-7975
608/267-3291
608/267-4879 FAX

RECEIVED

MAY 18 1990

Revisor of Statutes
Bureau

May 18, 1990

HAND-DELIVERED

Mr. Gary Paulson
Revisor of Statutes
30 W. Mifflin, Room 702
Madison, WI 53702

RE: Clearinghouse Rule 90-28

Dear Mr. Paulson:

Enclosed please find certified copies of the above captioned rules for publication in the Wisconsin Administrative Register.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael B. McClure".

Michael B. McClure
General Counsel

MBM:lkn

Enclosures

STATE OF WISCONSIN)
)
WISCONSIN RACING BOARD)

SS CLEARINGHOUSE RULE 90-28

I, Terence M. Dunleavy, Executive Director of the Wisconsin Racing Board and custodian of the official records, certify that the annexed rules, relating to the operation of pari-mutuel racing in Wisconsin, were duly approved and adopted by this Board on January 26, 1990.

I further certify that this copy has been compared by me with the original on file with this Board and that it is a true copy of the original, germane modifications made pursuant to s. 227.19(4)(b)(4), Wis. Stats., and of the whole original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 150 E. Gilman, Suite 1000, in the City of Madison this 21st day of June, 1990.


TERENCE M. DUNLEAVY
Executive Director

SECTION 1. RACE 4.06 (4) is amended to read:

Section 4.06 (4)

(4) Each association shall equip and maintain adequate first-aid facilities and have in attendance during all performances a physician, ~~or licensed nurse~~ or an ambulance attendant licensed pursuant to s. 146.50, Stats. or Emergency Medical Technician licensed pursuant to s. 146.35, Stats.

SECTION 2. RACE 15.05 (5) is amended to read:

Section 15.05 (5)

(5) All greyhounds shall have been vaccinated for rabies during the calendar year in which they are participating and shall have been vaccinated prior to their participation. as provided in s. 95.21(2), Stats.

SECTION 3. RACE 16.03 (3) is amended to read:

Section 16.03 (3)

(3) TOUTING AND BOOKMAKING.

No person employed by a person licensed pursuant to ss. 562.05(1)(a), (b), or (c), Stats., shall engage in touting or bookmaking.

This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 225.22(2)(intro), Stats.

Dated: _____

6-11-90

Agency: _____

Terence M. Dunleavy
Terence M. Dunleavy
Executive Director
Wisconsin Racing Board



Executive Director
Terence M. Dunleavy

Governor
Tommy G. Thompson

WISCONSIN RACING BOARD

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June 21, 1990

Gary Paulson
Revisor of Statutes
30 West Mifflin Street, Room 702
Madison, WI 53702

RECEIVED

JUN 21 1990

Revisor of Statutes
Bureau

RE: Clearinghouse Rule 90-28

Dear Mr. Paulson:

In the Board's May 18, 1990 submission of the certified copy of the above-mentioned rule for publication in the Wisconsin Administrative Register contains an error. On May 3, the Board had sent notice of three germane modifications to the legislature, which were reviewed pursuant to the ten day extension of the review period. However, these modifications were not included in our May 18 submission to you or the Secretary of State.

In order to correct this, please find an additional certification and rulemaking reflecting these changes. The germane modifications are contained in Sections 1, 2 and 3 of the rules, and involves §RACE 4.06(4), 15.05(5) and 16.03(3). These documents are also being sent to the Secretary of State. Please advise me if anything further is required to rectify this error.

Sincerely,

MICHAEL B. McCLURE
General Counsel

MBM\sls