

Historical Horse Racing

Pari-Mutuel System of Wagering Required for Historical Horse Racing

The only wagering permitted for historical horse racing shall be under the pari-mutuel system of wagering. All systems of wagering other than pari-mutuel shall be prohibited for historical horse racing. Any person participating or attempting to participate in prohibited wagering shall be ejected and excluded from association grounds.

Definitions

The following words and terms shall have the following meanings when used in this chapter, unless the context clearly indicates otherwise:

1. "Applicant" means an individual who has submitted an application to offer pari-mutuel wagering on historical horse racing from the commission.
2. "Commission" means the Commission.
3. "Historical horse racing" means a form of horse racing that creates pari-mutuel pools from wagers placed on previously conducted horse races and is hosted at an authorized facility, including:
 - a. Any horse race whether running or harness, that was previously conducted at a licensed pari-mutuel facility;
 - b. That concluded with official results; and
 - c. That concluded without scratches, disqualifications, or dead-heat finishes.
4. "Independent testing laboratory" means a laboratory with a national reputation for honesty, independence, and timeliness that is demonstrably competent and qualified to scientifically test and evaluate devices for compliance with this chapter and to otherwise perform the functions assigned to it by this chapter. An independent testing laboratory shall not be owned or controlled by a licensee, the state, or any manufacturer, supplier, or operator of historical horse racing terminals.
5. "Integrity auditor" means an agent of the Commission that conducts periodic and regular examinations of the wagering terminals both prior to installation, and on a periodic basis as determined by the Commission.

Wagering on Historical Horse Races Authorized

1. Wagering on historical horse races is hereby authorized and may be conducted in accordance with ORS 462.155.
2. Wagering on historical horse races shall only be conducted by associations licensed to operate a pari-mutuel facility, pursuant to ORS 462.062.
3. Wagering on historical horse races shall only be permitted in designated area on the licensed premises of the commercial racetrack pari-mutuel facility. Wagering on historical horse races shall not be offered in any other location.
4. An applicant to offer pari-mutuel wagering on historical horse racing shall submit an application to conduct the same with the commission at its offices.
5. The following shall be provided by the applicant:
 - a. A plan of operation that includes:
 - A. The days and hours of operation during which wagering on historical horse racing will be offered.

- B. The number of terminals to be operated at the facility, broken down by manufacturer, make and model;
 - C. A detailed description of the proposed area designated for the sale of pari-mutuel pool, sand the placement of terminals with the area, including a drawn to scale rendering that describes:
 - i. The size, construction, layout, capacity, number of terminals, and location of surveillance and other security equipment, and at least one photograph of the designated area when construction is complete.
 - D. The practices and procedures that will ensure the security, safety, and comfort of patrons in the designated area including plans for controlling access to the designated area and preventing entry by any patron under the age of (18) or otherwise not permitted to place wagers. In addition, the plan for allowing access to the facility for handicapped patrons.
 - E. The manufacturer, make, and model of each terminal, including a copy of all literature provided by the manufacturer of the terminal;
 - F. The maintenance and repair procedures that will ensure the integrity of the terminals;
 - G. A complete list of individuals who are authorized to examine and repair the terminals for any reason and such persons shall be licensed by the commission; and
 - H. A copy of the Purse and Condition Contract or other agreements between the operator and the racing associations which relates to distribution of pari-mutuel handle derived from the historical horse racing terminals.
6. Before offering wagering on historical horse races, an association must;
- a. Provide documentation on how money will be allocated to the seed pool. Seed pool, also known as a guarantee, refers to a pool of money that is used to ensure that all patrons are paid the minimum payout on winning wagers;
 - b. Shall first obtain the commission's written approval of all wagers offered as set forth in ORS 462.147.
7. Failure to comply with requirements in ORS 462-155, OAR 462-200-0670 and this regulation may result in suspension or revocation of the license for conducting pari-mutuel wagering at the discretion of the Commission.

Operational Requirements for the Conduct of Historical Horse Racing

- 1. An association may conduct wagering on historical horse races of any horse breed regardless of the type of breed that primarily races in live meets conducted by the association. An association may conduct wagering on historical horse races on any days and hours approved by the Commission and shall not be limited to times during which the association is conducting a live horse race meeting.
- 2. All wagering on historical horse races shall incorporate the following elements:
 - a. A patron may only wager on historical horse races on a terminal approved by the commission;
 - b. An association shall always maintain at least two (2) terminals offering each type of exotic wager on historical horse races.
 - c. Once a patron deposits an amount in the terminal offering wagering on historical horse races, one or more historical horse races shall be made available for wagering;
 - d. Prior to the patron making his or her wager selections, the terminal shall not display any information that would allow the patron to identify the historical horse race or races on which he or she is wagering, including the location of the race or races, the date on which the race or races was run, the names of the horses in the race or races, or the names of the jockeys that rode the horses in the race or races;

e. The terminal shall make available true and accurate past performance information on the historical horse race to the patron prior to making his or her wager selections. The information shall be current as of the day the historical horse race was actually run. The information provided to the patron shall be displayed on the terminal in data or graphical form; and

f. After a patron finalizes his or her wager selections, the terminal shall display the patron's selections, the official results of each race, and a replay of the race or races, or a portion thereof, whether by digital or by way of a video recording, or by other depictions of the race approved by the commission. The identity of each race shall be revealed to the patron after the patron has placed his or her wager.

Historical Horse Race Specification and Selection Requirements

1. The outcome of any historical horse race wager shall be derived from the result of one or more historical horse races.

2. All historical horse races must be chosen at random from a database of actual historical horse races. All races in the database shall have a valid historical horse race result with details recorded at the same level as other races in the database, and shall include: horse names, race location, race date, finishing order, and jockey name.

3. In the case where a random number generator is used to select the historical horse races for a wager, all possible races in the database shall be available for selection.

4. Each terminal shall:

a. Be tested by an independent testing laboratory, selected by the commission, and found to be in compliance with all applicable technical standards. Any modifications made to the terminal or software shall require re-testing;

b. Provide race information that is current as of the day the horse race was actually run;

c. Allow any patron that is handicapping to cancel a wager and not continue with a given race set;

d. Display the information provided to the patron in graphic form which is discernable to the bettor;

e. Not be in the nature of a slot machine. A terminal shall not be considered to be in the nature of a slot machine when it precludes the use of random elements to determine the outcome of a wager other than the selection of a race or races from a database of races, all wagers and prizes are pari-mutuel in nature, and do not include any interest of the licensee.

5. Prior to the patron making his or her wager selections, the terminal shall:

a. Make true and accurate past performance information available on each historical horse race; and

b. Not display any information that would allow the patron to identify the historical race on which the patron is wagering, including:

A. The location of the race;

B. The date on which the race was run;

C. The names of the horses in the race; or

D. The names of the jockeys who rode the horses in the race.

6. After the results of a patron's wager are determined, the terminal shall display:

a. The patron's selections;

- b. The identity and official results of each race; and
 - c. A replay of the race or races, or a portion thereof, whether by digital, or graphical depiction or by way of a video recording or by other depictions of the race approved by the commission.
7. The video display required by (6)(c) above shall be of a size and quality that allows the player to reasonably view and determine the outcome of the horse race or races.
8. In addition to the requirement of (6)(b) above, the terminal may also display the wager and its outcome as part of an entertaining display or game, provided the underlying wager and outcome functions according to the pari-mutuel wagering pool specifications provided by the HHR licensee to the commission.
9. Approximate odds and payouts for each wagering pool shall be posted on each terminal for viewing by patrons at intervals of no more than sixty (60) seconds.

Payouts through Pari-Mutuel Pools Authorized.

- 1. a. A wager on a historical horse race or races, less deductions permitted by ORS 462.062 shall be placed in pari-mutuel pools approved by the commission.
 - b. A payout to a winning patron shall be paid from money wagered by patrons and shall not constitute a wager against the association.
 - c. An association conducting wagering on historical horse races shall not conduct wagering in such a manner that patrons are wagering against the association, or in such a manner that the amount retained by the association as a commission is dependent upon the outcome of any particular race or the success of any particular wager.
2. An association offering wagering on historical horse races shall operate a pari-mutuel pool or pools in a manner and method approved by the commission. An association offering wagering on historical horse races may operate a player-funded pool or pools in a manner and method approved by the commission for the purpose of ensuring that sufficient funds are at all times available to pay any winning wagers in situations where a pari-mutuel pool becomes a minus pool. For each wager made, an association may assign a percentage of the wager to a player-funded pool or pools.
3. If an association chooses to make a deposit into a trust account for the purpose of ensuring that sufficient funds are at all times available to pay any winning wagers in situations where a pari-mutuel pool becomes a minus pool, then such trust account must be approved by the commission.

Responsible play.

1. A licensee shall implement a program to promote responsible play of historical racing by its patrons and provide details of the same to the commission. At a minimum, such program shall require:
- a. Posting in a conspicuous place in every place where pari-mutuel wagering on historical horse racing is conducted a sign that bears a toll-free number for an approved organization that provides assistance to problem gamblers.
 - b. Providing informational leaflets or other similar materials at the licensee's facilities on the dangers associated with problem gambling.
 - c. Including in the licensee's promotional and marketing materials information on problem gambling and organizations that provide assistance to problem gamblers.
 - d. Routine auditing of patron activity to identify patrons who have suffered significant financial losses in repeated visits to the licensee's facilities and providing such patrons with information on organizations that provide assistance to problem gamblers.

e. Ensuring that any request by a patron who wishes to self-exclude from the licensee's facilities is honored by the licensee.

2. A licensee shall report annually to the commission and make a copy available to the public on its efforts to meet subsection 1 of this section, its efforts to identify problem gamblers, and steps taken to:

a. Prevent such individuals from continuing to engage in pari-mutuel wagering on historical horse racing; and

b. Provide assistance to these individuals to address problem gambling activity.

Totalizator or Other Approved Equipment Required.

1. Pari-mutuel wagering on historical horse races shall only be conducted through the use of a totalizator or other similar mechanical or electrical equipment.

2. The totalizator or other mechanical or electrical equipment shall be available for testing under the supervision of the commission upon request by the commission to ensure its proper working order.

3. Wagering on historical horse races shall be offered on terminals that include a cabinet in which the electronics and other operating components are located. All terminals and other equipment shall be subject to inspection by the commission.

4. The terminal cabinet and electronics. shall:

a. Protect against electrostatic interference by being grounded so that static discharge energy shall not permanently damage or inhibit the normal operation of the electronics or other components within the wagering terminal. If a temporary disruption of the normal operation of a wagering terminal occurs as a result of an electrostatic discharge, the wagering terminal shall have the capacity to recover and complete any interrupted wager without loss or corruption of any control or critical data information. Each terminal shall be tested to a maximum discharge severity level of 27 kV air discharge;

b. Not be adversely affected, other than during resets, by surges or dips of up to 20% of the supply voltage. If a wagering terminal is designed such that a surge or dip of up to 20% of the supply voltage causes a reset, the terminal shall also be designed so that a surge or dip shall not result in damage to the equipment or loss or corruption of data. Upon reset, the game shall return to its previous state or return to a game completion state, provided the game history and all credit and accounting meters comprehend a completed game;

c. Have an on/off switch that controls the electrical current installed in a readily accessible location within the interior of the terminal so that power cannot be disconnected from outside of the terminal using the on/off switch. The on/off positions of the switch shall be labeled;

d. Be designed so that power and data cables into and out of the terminal can be routed so that they are not accessible to the general public. Security-related wires and cables that are routed into a logic area shall be securely fastened within the interior of the terminal;

e. Have an identification badge affixed to the exterior of the terminal by the manufacturer that is not removable without leaving evidence of tampering. This badge shall include the following information:

A. The name of the manufacturer;

B. A unique serial number;

C. The terminal model number; and

D. The date of manufacture;

f. Have an external tower light located conspicuously on the top of the terminal that automatically illuminates when a patron has won an amount that the terminal cannot automatically pay or when an error condition has occurred;

g. Be constructed of materials that are designed to allow only authorized access to the inside of the terminal. The terminal and its locks, doors, and associated hinges shall be capable of withstanding determined and unauthorized efforts to gain access to the inside of the terminal and shall be designed to leave evidence of tampering if such an entry is made;

h. Have seals between the terminal and the doors of a locked area that are designed to resist the use of tools or other objects used to breach the locked area by physical force;

i. Have external doors that shall be locked and monitored by door access sensors. When the external doors are opened, the door access sensors shall;

A. Cause game wagering activity to cease,

B. Disable all currency acceptance,

C. Enter an error condition,

D. Illuminate the tower light at a minimum, and

E. Record the error condition. The requirements of this subsection do not apply to the drop box door;

j. Have external doors designed so that it shall not be possible to insert a device into the terminal that will disable a "door open" sensor without leaving evidence of tampering when the door of the terminal is shut;

k. Have a sensor system that shall provide notification that an external door is open when the door is moved from its fully closed and locked position, provided power is supplied to the device;

l. Have a logic area, which is a separately locked cabinet area with its own monitored, locked door or other monitored, locked covering that houses electronic components that have the potential to significantly influence the operation of the terminal. There may be more than one such logic area in a terminal. The electronic components housed in the logic area shall include:

A. A central processing unit and any program storage device that contains software that may affect the integrity of wagering, including the game accounting, system communication, and peripheral firmware devices involved in or that significantly influence the operation and calculation of game play, game display, game result determination, or game accounting, revenue, or security;

B. Communication controller electronics and components housing the communication program storage device;

C. The nonvolatile memory backup device, which if located in the logic area, shall be kept within a locked logic area; and

m. Have a currency storage area that is separately keyed and fitted with sensors that indicate "door open/close" or "stacker receptacle removed," provided power is supplied to the device. Access to the currency storage area shall be secured by two locks before the currency can be removed. The locks shall be located on the relevant outer door and on at least one other door.

5. Critical Memory Requirements

- a. Critical memory storage shall be maintained by a methodology that enables errors to be identified, including signatures, checksums, partial checksums, multiple copies, timestamps, effective use of validity codes, or any combination of these methods.
- b. Comprehensive checks of critical memory shall be made following game initiation but prior to display of game outcome to the patron.
- c. An unrecoverable corruption of critical memory shall result in an error state. The memory error shall not be cleared automatically and shall cause the terminal to cease further functioning. The critical memory error shall also cause any communication external to the terminal to immediately cease. An unrecoverable critical memory error shall require restoration or clearing of software state by an authorized person.
- d. If critical memory is maintained in nonvolatile memory on the terminal and not by the server-based system, then:
 - A. The terminal shall have the ability to retain data for all critical memory as defined in this section and be capable of maintaining the accuracy of the data for 30 days after power is discontinued from the terminal;
 - B. For rechargeable battery types only, if the battery backup is used as an off-chip battery source, it shall recharge itself to its full potential in a maximum of 24 hours, and the shelf life of the battery shall be at least five years;
 - C. Nonvolatile memory that uses an off-chip backup power source to retain its contents when the main power is switched off shall have a detection system that will provide a method for software to interpret and act upon a low battery condition before the battery reaches a level where it is no longer capable of maintaining the memory in question. Clearing nonvolatile memory shall require access to the locked logic area or other secure method, provided that the method is approved by the commission; and
 - D. Following the initiation of a nonvolatile memory reset procedure, the game program shall execute a routine that initializes all bits in critical nonvolatile memory to the default state. All memory locations intended to be cleared as per the nonvolatile memory clear process shall be fully reset in all cases.
- e. Critical memory of a server-based game may be maintained by the server, terminal, or some combination thereof. The critical memory related to each terminal shall:
 - A. Be kept independent to all other wagering terminals. If corruption occurs in any single terminal's critical memory no other terminal shall be affected by the terminal's corrupt memory state; and
 - B. Be clearly identified as to which physical terminal the critical memory represents, through unique identification, such as serial number or other unique terminal hardware identifier.
- f. All terminals shall be equipped with a device, mechanism, or method for retaining the value of the meter information specified in OAR 462-240-0140. In the event of a loss of power to the terminal. Storage and retrieval of the accounting meters from a server is an acceptable method of retrieval.
- g. Configuration setting changes shall not cause an obstruction to the meters.
- h. If the terminal is in a test, diagnostic, or demonstration mode, any test that incorporates credits entering or leaving the terminal shall be completed prior to resumption of normal operation. In addition, there shall not be any mode other than normal wagering operation that debits or credits any of the electronic meters. Any wagering credits on the terminal that were accrued during the test, diagnostic, or demonstration mode shall be cleared before the mode is exited. Specific meters are permissible for these types of modes, provided the meters are clearly identified.
- i. Terminals shall not allow any information contained in a communication to or from the online monitoring system that is intended to be protected, including validation information, secure PINs, credentials, or secure seeds and keys, to be viewable through any display mechanism supported by the terminal.

6. Program Storage Devices

- a. All program storage devices shall: be housed within a fully enclosed and locked logic compartment, validate themselves during each processor reset, and validate themselves the first time they are used.
- b. Program storage devices that do not have the ability to be modified while installed in the terminal during normal operation shall be clearly marked with information to identify the software and revision level of the information stored in the devices.
- c. Server-stored information shall be backed up no less often than once per day to an offsite storage facility controlled by the licensee. Offsite storage may include storage through a cloud service provider if approved by the commission. The server and offsite backup storage shall be accessible to the commission and subject to third-party checks and validation.

Terminal Operational/Software Requirements

1. Terminals shall have the ability to allow for an independent integrity check of all software that may affect the integrity of the game. The integrity check shall be by an independent testing laboratory approved by the commission.
2. If a winning amount is in excess of the thresholds established in the Internal Revenue Service reporting requirements, the terminal shall cease operation and require attendant interaction to proceed.
3. Terminals shall be capable of detecting and displaying the following errors:
 - a. Open door conditions;
 - b. Nonvolatile memory errors;
 - c. Low nonvolatile memory battery for batteries external to the nonvolatile memory itself for low power source;
 - d. Program error or authentication mismatch;
 - e. Display device errors;
 - f. The identification of an invalid bill or voucher; and
 - g. Loss of communication to the tote system.
4. To protect the integrity of the game, when a terminal error condition is detected, the terminal shall secure itself by:
 - a. Ceasing play and requiring attendant intervention prior to returning to normal play;
 - b. Displaying an appropriate error message;
 - c. Disabling bill and voucher acceptance;
 - d. Sounding an alarm, illuminating the tower light, displaying the error on screen, or any combination of the three;
 - e. Communicating the error condition to an online monitoring and control system; and
 - f. If the terminal is powered down with an unresolved error condition, remaining in error mode unless power down is used as a part of the error reset procedure.
5. Upon resolution of an error condition, a terminal may return to a wager completion state, provided the game history, wagering credits, and other meters display the completed wager properly.
6. Terminals shall not be adversely affected by the simultaneous or sequential activation of various terminal inputs and outputs.

7. Test, diagnostic, or demonstration modes on a terminal shall:
 - a. Be entered only from an attendant following appropriate instructions;
 - b. Not be accessible to a patron; and
 - c. Be indicated on the terminal via an appropriate message.
 - d. Upon exiting from test, diagnostic, or demonstration mode, a terminal shall return to its previous state.
8. Available wagering credit may be collected from the terminal by the patron at any time other than during:
 - a. A game being wagered;
 - b. Audit mode;
 - c. Test mode;
 - d. A credit meter or win meter increment; or
 - e. An error condition
9. Terminals shall be capable of displaying wager recall, which shall:
 - a. Include the last 10 wagers on the terminal, including at least 50 intermediary steps within those wagers, including free spins and bonus games;
 - b. Be retrievable on the terminal via an external key-switch or other secure method not available to the patron; and
 - c. Provide all information required to fully reconstruct the wagers, including:
 - A. Initial credits or ending credits associated with the wager;
 - B. Credits wagered;
 - C. Credits won;
 - D. Entertaining game display symbol combinations and credits paid whether the outcome resulted in a win or a loss;
 - E. Representation in a graphical or text format;
 - F. Final wager outcome, including all patron choices and all bonus features; and
 - G. As an optional feature, display of values as currency in place of wagering credits

Requirements for Tickets or Vouchers used in Historical Horse Racing

1. Terminals shall not dispense currency. Payment to patrons shall only be accomplished by means of a printed voucher.
2. All vouchers shall contain the following printed information at a minimum:
 - a. Licensee name and site identifier, which may be contained on the ticket stock itself;
 - b. Terminal number or cashier booth location;

- c. Date and time stated in a 24-hour format according to the local time zone;
 - d. Alpha and numeric dollar amount;
 - e. Ticket or voucher sequence number;
 - f. Validation number;
 - g. Bar code or any machine-readable code representing the validation number;
 - h. Type of transaction or other method of differentiating voucher types. If the voucher is a non-cashable item, the ticket shall explicitly express that it has "no cash value"; and
 - i. The expiration period from date of issue, or date and time the ticket or voucher will expire in a 24-hour format according to the local time zone. This information may be contained on the ticket stock itself. Payment on valid pari-mutuel tickets, including tickets where refunds are ordered, shall be made only upon presentation, and surrender of valid pari-mutuel tickets to the licensee within 90 days after the purchase of the ticket. Failure to present any valid pari-mutuel ticket to the licensee within 90 days after the purchase of the ticket shall constitute a waiver of the right to payment.
3. A system approved by the commission shall be used to validate the payout ticket or voucher. The ticket or voucher information on the central system shall be retained for two calendar years after a voucher is valid at that location.
4. Payment by voucher as a method of credit redemption shall only be permissible when the terminal is linked to a computerized voucher validation system that is approved by the commission.
5. The validation system must be able to identify a duplicate ticket or voucher to prevent fraud.
6. Terminals must meet the following minimum requirements to incorporate the ability to issue offline vouchers after a loss of communication has been identified by a wagering terminal:
- a. The wagering terminal shall not issue more offline vouchers than it has the ability to retain and display in the wagering terminal maintained voucher-out log;
 - b. The wagering terminal shall not request validation numbers used in the issuance of vouchers until all outstanding offline voucher information has been fully communicated to the voucher validation system;
 - c. The wagering terminal shall request a new set of validation numbers used in the issuance of online or offline vouchers if the current list of validation numbers has the possibility of being compromised, which shall include:
 - A. After power has been recycled, or
 - B. Upon exit of a main door condition; and
 - C. Validation numbers must always be masked when viewable through any display supported by the wagering terminal such that only the last four digits of the validation number are visible.
7. Vouchers may be inserted in any terminal participating in the validation system providing that no credits are issued to the terminal prior to confirmation of voucher validity.
8. The offline voucher redemption may be validated as an internal control process at the specific terminal that issued the voucher. A manual handplay may be conducted for the offline voucher value.

Terminal Peripheral Device Requirements

- 1. Video monitor touch screens on terminals shall:

- a. Be accurate to manufacturer specifications for touch point sensitivity;
 - b. Be able to be calibrated without access to the terminal cabinet other than opening the main door, and once calibrated shall maintain accuracy for at least the video touch screen manufacturer's recommended maintenance period; and
 - c. Have no hidden or undocumented buttons or touch points anywhere on the screen that affect wagering or that impact the outcome of the game, except as provided by the game rules.
2. Paper currency acceptors used in a terminal shall:
- a. Be electronically based;
 - b. Detect the entry of bills or vouchers inserted into the paper currency acceptor and provide a method to enable the terminal software to interpret and act appropriately upon a valid or invalid input;
 - c. Be configured to ensure the acceptance of only valid bills or vouchers and reject all other items;
 - d. Return to the patron all rejected bills or vouchers, and any other item inserted into the acceptor;
 - e. Be constructed in a manner that protects against vandalism, abuse, or fraudulent activity;
 - f. Register the actual monetary value or appropriate number of wagering credits received for the denomination used on the patron's credit meter for each valid bill or voucher;
 - g. Register wagering credits only when the bill or other note has passed the point where it is accepted or stacked, and the acceptor has sent an "irrevocably stacked" message to the terminal;
 - h. Be designed to prevent the use of fraudulent crediting, the insertion of foreign objects, and any other fraudulent technique;
 - i. Implement a method of detecting counterfeit bills;
 - j. Only accept bills or vouchers when the terminal is enabled for play;
 - k. Have the capability of detecting and displaying any supported error conditions;
 - l. Shall communicate with the terminal using a bi-directional protocol;
 - m. Be located in a locked area of the terminal that requires the opening of the main door for access. The paper currency acceptor shall not be located in the logic area. Only the bill or voucher insertion area shall be accessible by the patron;
 - n. Have a secure stacker that shall:
 - A. Deposit into the stacker all accepted items;
 - B. Be attached to the terminal in such a manner that it cannot be easily removed by physical force; and
 - C. Have a separate keyed lock to access the stacker area. The keyed lock shall be separate from the main door, and a separate keyed lock shall be required to remove the bills from the stacker; and
 - o. Have a bill validator that shall:
 - A. Retain in its memory and have the ability to display the information required of the last 25 items accepted by the bill validator;

B. Have a recall log that may be combined or maintained separately by item type. If combined, the type of item accepted shall be recorded with the respective timestamp; and

C. Give proper credit or return the bill or note if power failure occurs during acceptance of a bill or note.

3. Each terminal shall be equipped with a printer that:

a. Is used to make payments to the patron by issuing a printed voucher. The terminal shall transmit the following data to an online system that records the following information regarding each payout ticket or voucher printed:

A. The value of credits in local monetary units in numerical form;

B. The time of day the ticket or voucher was printed in 24-hour format, showing hours and minutes;

C. The date, in format approved by the commission, indicating the day, month, and year that the ticket or voucher was issued;

D. The terminal number; and

E. A unique ticket or voucher validation number.

b. Prints only one copy to the patron and retains information on the last 25 printed vouchers;

c. Is housed in a locked area of the terminal but shall not be located within the logic area or the drop box; and

d. Allows control program software to interpret and act upon all error conditions

Location of Terminals Used for Wagering on Historical Horse Races.

1. Terminals offering wagering on historical horse races shall be located within designated areas which have the prior written approval of the commission. Designated areas shall be established in such a way as to control access by the general public and prevent entry by any patron who is under eighteen (18) years of age or is otherwise not permitted to place wagers.

2. Each association shall monitor persons entering and leaving the designated areas and shall prevent access to any patron who is under eighteen (21) years of age or is otherwise not permitted to place wagers on historical horse races.

3. Each association shall provide terminals that are accessible to handicapped patrons.

Records to be Maintained.

1. Each association shall maintain complete records of all pari-mutuels wagering transactions on historical horse races, including the amounts wagered at each historical horse racing terminal.

2. A copy of the wagering records shall be retained and safeguarded for a period of not less than two (2) years and shall not be destroyed without the prior written permission of the commission.

Accounting and Occurrence Meter Requirements

1. The required accounting meters are as follows:

a. Coin in, which accumulates the total value of all wagers, whether the wagered amount results from the insertion of bills or vouchers or deduction from a credit meter;

b. Coin out, which accumulates the total value of all amounts directly paid by the terminal as a result of winning wagers, whether the payback is made to a credit meter or any other means;

- c. Attendant paid jackpot, which accumulates the total value of credits paid by an attendant resulting from a single wager, the amount of which is not capable of being paid by the wagering terminal itself;
- d. Attendant paid canceled credit, which accumulates the total value paid by an attendant resulting from a patron-initiated cash-out that exceeds the physical or configured capability of the terminal to make the proper payout amount;
- e. Bill in, which accumulates the total value of currency accepted. Each wagering terminal shall have a specific occurrence meter for each denomination of currency accepted that records the number of bills accepted of each denomination;
- f. Voucher in, which accumulates the total value of all wagering terminal vouchers accepted by the device;
- g. Voucher out, which accumulates the total value of all wagering terminal vouchers issued by the device;
- h. Noncashable electronic promotion in, which accumulates the total value of noncashable credits from vouchers accepted by the terminal;
- i. Cashable electronic promotion in, which accumulates the total value of cashable credits from vouchers accepted by the terminal;
- j. Noncashable electronic promotion out, which accumulates the total value of noncashable credits issued to vouchers by the device; and
- k. Cashable electronic promotion out, which accumulates the total value of cashable credits issued to vouchers by the device.

2. Additional required occurrence meters are as follows:

- a. Cashable promotional credit wagered, which accumulates the total value of promotional cashable credits that are wagered;
- b. Games wagered, which accumulates the number of wagers placed; and
- c. Games won, which accumulates the number of wagers resulting in a win to the patron.

3. Electronic accounting meters shall maintain and calculate data to at least 10 digits in length.

4. Electronic accounting meters shall be maintained in credit units equal to the denomination or in dollars and cents.

5. If the electronic accounting meter is maintained in dollars and cents, eight digits must be used for the dollar amount and two digits must be used for the cents amount.

6. Devices configured for multi-denomination wagering shall display the units in dollars and cents at all times.

7. Any time the meter exceeds the logical limit that the software can accurately maintain, the meter must roll over to zero.

8. Occurrence meters shall be at least eight digits in length but are not required to automatically roll over.

9. Meters shall be identified so that they can be clearly understood in accordance with their function.

10. A wagering terminal shall maintain sufficient electronic metering to be able to display the following:

- a. The total monetary value of all items accepted on the terminal;
- b. The total number of all items accepted on the terminal;

- c. For bills accepted, the number of bills for each bill denomination; and
 - d. For all other notes accepted, the number of notes accepted by note amount.
10. Meters can be on the server instead of the terminal.

Required Reports for Wagering on Historical Horse Races; Audit and Inspection by the commission

1. All systems used for pari-mutuel wagering on historical horse races shall provide financial reports for individual approved wager model configurations and total pool amounts for each pool. Reports shall be available at the end of the wagering day or upon request by the commission with information current since the end of the last wagering day. The reports shall include:

- a. Current values of each pari-mutuel wagering pool;
- b. Total amounts wagered for all pools;
- c. Total amounts won by patrons for all pools;
- d. Total commission withheld for all pools;
- e. Total breakage for all pools, where applicable;
- f. Total amount wagered at each terminal;
- g. Total amount won by patrons at a terminal;
- h. The amount wagered on each mathematical model configuration and the amount won from each mathematical model configuration offered at a terminal;
- i. Total amount of each type of financial instrument inserted into a terminal;
- j. Total amount cashed out in voucher or handpays at a terminal; and
- k. Taxable win events including:
 - A. Time and date of win;
 - B. Wagering terminal identification number;
 - C. Amount wagered resulting in taxable win;
 - D. Taxable amount won; and
 - E. Withholding amount.

2. The commission or its authorized representatives may, at any time, conduct an audit or inspection of the financial reports, software, terminals, security, or other equipment used by a licensee in conducting operations under this chapter.

Equipment and Laboratory Testing.

1. Each association shall provide for a nationally recognized, independent testing laboratory approved by the commission to submit to the commission a general functional evaluation laboratory report regarding the hardware and

software installed on each historical horse racing terminal and the software on each historical horse racing system indicating whether same is in compliance with applicable law and regulations.

2. Any alterations, modifications, or updates to the software or hardware on any historical horse racing terminal or the software on any historical horse racing system shall require the vendor to submit to the commission a new laboratory report as required under subsection (1) of this section before the game may be used for play at an establishment.

3. If there is a complete breakdown of a terminal offering wagering on historical horse, the association offering the wager shall make a full refund of the patron's balance on the terminal at the time of the breakdown.

Payouts and Wagers

1. Minimum Wagers and Payouts - The minimum wager to be accepted by an association on a wager based on the outcome of a historical horse race or races shall be ten (10) cents. The minimum payout on any wager shall not be less than the amount wagered.

2. Odds and payouts posted - For wagering on historical horse races, approximate odds or payouts for each pari-mutuel pool shall be posted or made available on each terminal for viewing by patrons.

3. Betting Explanation - Each association shall post, in conspicuous places in the designated area, a general explanation of pari-mutuel wagering offered on historical horse races and an explanation of each pari-mutuel pool offered. The explanation shall be submitted to the commission for approval prior to its posting.

Wagering Terminal Historical Race Display

1. All wagering terminals shall have video displays that clearly identify the entertaining game theme, if any, being used to offer pari-mutuel wagering on historical horse racing. The video display shall make available the rules of the historical horse racing wager and the award that will be paid to the patron when the patron obtains a specific win.

2. All payable information, rules of play, and help screen information shall be available to a patron prior to placing a wager.

3. All wagering terminals shall have video displays that make available to the patron the rules of any features or interactive functions that may occur on the patron interface as part of the entertaining display of the wager and its outcome.

a. Clearly identify the entertaining game theme, if any, being used to offer pari-mutuel wagering on historical horse racing; and

b. Make the following information available to the patron:

A. All payable information, rules of play, and help screen information;

B. The award that will be paid to the patron when the patron obtains a specific win; and

C. The rules of any features or interactive functions that may occur as part of the entertaining display of the wager and its outcome;

c. Provide the race data in a reasonable manner as to not discourage patrons who wish to handicap from doing so; and

d. Allows the patron to compare all of their picks against the true order of finish.

4. The video display shall clearly indicate whether awards are designated in credits or currency.

5. All wagering terminals shall display the following information to the patron at all times the wagering terminal is available for patron wager input:
 - a. The patron's current credit balance in currency or credits;
 - b. The current bet amount;
 - c. The amount won for the last completed game until the next game starts or betting options are modified;
 - d. The patron options selected for the last completed game until the next game starts or a new selection is made; and
 - e. A disclaimer stating "Malfunction Voids All Pays" or some equivalent wording approved by the commission. This may be presented as a permanent sign on the terminal.
6. The default game display upon terminal reset shall not be a false winning outcome.
7. Entertaining game features that simulate bonus or free games shall meet the following requirements:
 - a. The initiation of a bonus or free game shall only be based on the result of the wager placed by the patron on the result of the historical horse race selected for the wager;
 - b. The bonus or free game shall not require additional money to be wagered by the patron;
 - c. The entertaining display shall make it clear to the patron that the patron is in bonus mode to avoid the possibility of the patron unknowingly leaving the wagering terminal while in a bonus mode; and
 - d. If the bonus or free game requires an input from the patron, the terminal shall provide a means to complete the bonus or free game from a touch screen or hard button.
8. Electronic metering displays shall:
 - a. At all times, include all credits or cash available for the patron to wager or cash out unless the terminal is in an error or malfunction state. This information is not required when the patron is viewing a menu or help screen item;
 - b. Reflect the value of every prize at the end of a wager and add it to the patron's credit meter, except for handpays; and
 - c. Show the cash value collected by the patron upon a cash-out unless the terminal is in an error or malfunction state.
9. A wager is complete when the final transfer to the patron's credit meter takes place or when all credits wagered are lost.

Audit and Inspection Requirements

Access by Commission and Agents of the Commission

1. Each association shall allow the commission and the agents of the commission unrestricted access to inspect the entire premises wherein historical horse racing is being conducted at any time to ensure that the rules and regulations are being followed, this shall include the unrestricted access to inspect and test any mechanical, electrical, or electronic devices thereon being utilized or capable of being utilized by the association for historical horse racing.

Required Audits and Inspections:

1. Terminals shall have the ability to allow for an independent integrity check of all software that may affect the integrity of the game. The integrity check shall be performed by an independent testing laboratory approved by the Commission.

2. The independent testing laboratory's software may be embedded within the game software, utilize an interface port to communicate with the terminal, or require the removal of terminal media for external verification.
 3. Each terminal used for wagering on historical horse races shall be tested by the independent testing laboratory to ensure its integrity and proper working order. This evaluation shall include a review of installed software prior to implementation.
 4. The licensee shall pay the cost of the independent testing laboratory's review and testing, and the reports of the same shall be delivered to the licensee and the Commission.
 5. To ensure the integrity of pari-mutuel wagering, the licensee shall permit an integrity auditor access to review and monitor the integrity, security, and operation of the wagering terminal, through auditing procedures determined by the Commission.
-