

205 CMR 7.00: Simulcasting rules and regulations for horse racing, harness racing, and dog racing

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7.01: Definitions

The following definitions and interpretations shall apply in 205 CMR 7.00 unless the text otherwise requires.

ARCI the Association of Racing Commissioners International

Commission the Massachusetts State Racing Commission.

Dark days those days during a racing season on which live racing is not conducted.

Dark season that period of consecutive days between racing seasons during which a racing meeting licensee may not conduct live racing performances.

Guest track a racing meeting licensee or an out-of state pari-mutuel wagering facility which accepts any simulcast wager on a live race conducted at another track which is presented by simulcast at its facility.

Host track a racing meeting licensee or an out-of state track which conducts a live race which is subject of inter-track simulcasting and simulcast wagering.

Racing meeting licensee a person licensed by the commission, under M.G.L. c. 128A or any special law, to conduct live horse or dog racing meetings.

Simulcast the broadcast, transmission, receipt or exhibition, by any medium or manner, of a live race, including but not limited to, a system, network, or programmer which transmits, or receives, television or radio signals by wire, satellite, or otherwise

7.02: General

(1) All simulcast participants within the Commonwealth shall notify the Commission in writing on a form prescribed by the Commission of all scheduled simulcast performances seven days prior to the commencement of the simulcast participation; however, in the event of a special performance the period of notification will be at the discretion of the Commission.

(2) All simulcast participants within the Commonwealth shall supply adequate security, parking lot lights, first aid services and information help for all patrons, Commission representatives, mutual personnel, tote personnel and all other participants in simulcasting during simulcast performances.

7.03: Duties of Simulcast Host

(1) Every host association simulcasting its performance, if requested, may contract with an authorized receiver for the purpose of providing authorized users its simulcast. (ARCI c. 9 s.w. sec. A(1))

(2) A host association is responsible for content of the simulcast and shall use all reasonable effort to present a simulcast which offers the viewers an exemplary depiction of each performance. (ARCI c. 9 s.w. sec. A(2))

(3) Unless otherwise permitted by the Commission, every simulcast will contain in its video content a digital display of actual time of the day, the name of the host facility from where it emanates, the number of the contest being displayed, and any other relevant information available to patrons at the host facility. (ARCI c. 9 s.w. sec. A(3))

(4) The host association shall maintain such security controls including encryption over its uplink and communications system as directed or approved by the Commission. (ARCI c. 9 s.w. sec. A(4))

7.04: Duties of Authorized Receiver

(1) An authorized receiver conducts and operates a pari-mutuel wagering system on the results of contests being held or conducted and simulcast from the enclosures of one or more host associations and with the approval of the Commission. (ARCI c.9 s.w. sec. B(1))

(2) An authorized receiver shall provide:

(a) adequate transmitting and receiving equipment of acceptable broadcast quality, which shall not interfere with the closed circuit TV system of the host association for providing any host facility patron information. (ARCI c. 9 s.w. sec. B(2)(a))

(b) pari-mutuel terminals, pari-mutuel odds display, modems and switching units enabling pari-mutuel data transmissions, and data communications between the host and guest association. (ARCI c. 9 s.w. sec. B(2)(b))

(c) a direct phone and/or fax link communication system between each guest association and the host association providing timely contact among the Commission designees, placing judges and pari-mutuel departments. (ARCI c. 9 s.w. sec. B(2)(c))

(3) The guest association and all authorized receivers shall conduct pari-mutuel wagering pursuant to the applicable Commission rules. (ARCI c. 9 s.w. sec. B(3))

(4) The Commission may appoint at least one designee to supervise all approved simulcast facilities and may require additional designees as is reasonably necessary for the protection of the public interest. (ARCI c. 9 s.w. sec. B(4))

(5) Not less than 30 minutes prior to the commencement of transmission of the performance of pari-mutuel contests for each day or night, the guest association shall initiate a test program of its transmitter, encryption and decoding, and data communication to assure proper operation of the system. (ARCI c. 9 s.w. sec. B(5))

(6) The guest association shall, in conjunction with the host association or associations for which it operates pari-mutuel wagering, provide the Commission with a certified report of its pari-mutuel operations as directed by the Commission. (ARCI c. 9 s.w. sec. B(6))

(7) Every authorized receiver shall file with the Commission an annual report of its simulcast operations and an audited financial statement. (ARCI c. 9 s.w. sec. B(7))

7.05: General-Interstate Common Pool Wagering

(1) All contracts governing participation in interstate common pool wagering shall be submitted to the Commission for approval prior to commencement of the first simulcast performance between the given host association and guest association. (ARCI c. 9 i.c.w sec. A(1))

(2) Individual wagering transactions are made at the point of sale in the state where placed. Pari-mutuel pools are combined for computing odds and calculating payoffs but will be held separate for auditing and all other purposes. (ARCI c. 9 i.c.w sec. A(2))

(3) Any surcharges or withholding in addition to the takeout shall only be applied in the jurisdiction otherwise imposing such surcharges or withholdings. (ARCI c. 9 i.c.w sec. A(3))

(4) In determining whether to approve an interstate common pool which does not include the host track or which includes contests from more than one association, the commission shall consider and may approve use of a bet type which is not utilized at the host track, application of a takeout rate not in effect at the host track, or other factors which are presented to the Commission when in conformity with M.G.L. c. 128C. (ARCI c. 9 i.c.w sec. A(4))

(5) The content and format of the visual display of racing and wagering information at facilities in other jurisdictions where wagering is permitted in the interstate common pool need not be identical to similar information permitted or required to be displayed under 205 CMR 7.00. (ARCI c. 9 i.c.w sec. A(5))

(6) In the event of human error, malfunction and any other breaches of 205 CMR 7.00 or accepted parimutuel accounting practices, reports shall be filed with the Commission representative at the facility within 24 hours of the incident by all mutuel managers and tote operators involved and/or in charge. The report shall be specific as to date, time of race and pools affected by the incident and shall include:

(a) a narrative written explanation of the cause of the incident.

(b) any and all corrective measures that were taken.

(c) any and all solutions applied and/or any and all related rules, if such solutions are not governed by rules then:

1. a narrative explanation as to the basis for the solution applied.

2. any and all economic impact on the licensee's revenue that is a result of the incident.

(7) When the pools have been closed for wagering they may be re-opened only if the host track is willing to accept additional bets from the guest track. When the race is made official pools may not be re-opened under any circumstance for any reason.

(8) If the machines are closed and then are re-opened at the guest or host track within the Commonwealth a detailed written report by the mutuel manager shall be filed with the Commission representative and the tote operator immediately after the incident.

(9) The guest track may accept wagers on any pari-mutuel pool offered by the host track. The guest track assumes all liability to pay the posted price at the host track on all wagers it accepts.

(10) The association shall prior to each simulcast or live simulcast meeting whether it is the host or guest association, notify the state representative on duty as to all contractual agreements and all percentages of distribution from the take-out from each simulcast program shown in that meet on the simulcast one form as provided by the Commonwealth.

7.06: Advanced Performance Wagering

No association shall permit wagering to begin more than 36 hours before scheduled post time of the first contest of a performance unless it has first obtained the prior written authorization of the director of simulcasting and pari-mutuel wagering. 205 CMR 7.00 will govern unless there is a specified special event race in which case no association shall permit wagering to begin more than 36 hours before scheduled post time of the special event race. All wagers shall be made in money and no credit shall be extended to any person making such wagers.

7.07: Closing of Wagering in a Contest

(1) A Commission accountant shall monitor the closing of wagering for each contest after which time no pari-mutuel tickets shall be sold for that contest.

(2) The association shall maintain, in good order, a system approved by the Commission for the closing of wagering.

7.08: Guest State Participation in Interstate Common Pools

(1) With the prior approval of the Commission, pari-mutuel wagering pools may be combined with corresponding wagering pools in the host state, or with corresponding pools established by one or more other jurisdictions. (ARCI c. 9 i.c.w. sec. B(1))

(2) The Commission may permit adjustment of the take-out from the pari-mutuel pool so that the take-out rate in this jurisdiction is identical to that at the host track, or identical to that of other jurisdictions participating in a merged pool. (ARCI c. 9 i.c.w. sec. B(2))

(3) Rules established in the state of the host association designated for a pari – mutuel pool shall apply. (ARCI c. 9 i.c.w. sec. B(4))

(4) The Commission shall approve agreements made between the association and other participants in interstate common pools governing the distribution of breakage between the jurisdictions. (ARCI c. 9 i.c.w. sec. B(5))

(5) If for any reason, it becomes impossible to successfully merge the bets placed at the guest track into the interstate common pool at the host track, the guest track will pay all winning tickets the posted prices at the host track. After deducting appropriate take-out rates as required under M.G.L. c. 128C of the statutory 19% and 26% take – out rates. (ARCI c. 9 i.c.w. sec. B(6))

(6) Each association shall maintain accurate and detailed records of all individual instances where the posted price at the host track is paid when the customer's bet is not successfully merged into the interstate common pool at the host track. These records will accurately indicate a surplus or deficit for each and every pool involved. A copy of this report will be filed with the Commission representative at the track after each and every instance. On a daily basis a cumulative report, showing the up to date surplus or deficit, will be filed with the Commission representative at the track.

The association will retain possession of any surplus funds for the duration of the calendar year. The association may use any surplus to offset any deficit realized during the calendar year.

If at the end of the calendar year the association shows a surplus in this account, the entire amount of this surplus will be paid to defer operational cost of the Commission for simulcast events. If at the end of the calendar year the association shows a deficit in this account, there shall be no payment.

On the first day of January of the next calendar year the association shall start this account with a zero balance, regardless of whether the association ended the previous year with a surplus or a deficit.

Under the terms of 205 CMR 7.00 the association must pay the posted prices at the host track. The association may not create their own pool and the association may not refund these pools but must pay the posted prices at the host track.

(7) If the association accepts bets as a guest track on a pool that does not exist at a host track, the guest track will refund those bets. The association will not create their own pool.

(8) The guest track may only accept bets on pools that are offered on the host tracks betting menu. The guest track is not obligated to accept bets on all pools offered by the host track. The guest track may not accept bets on pools not offered by the host tracks. However, the guest track may create new pools on events of national significance with the permission of the Commission.

(9) Guest tracks may, at their option, issue a check for any winnings exceeding \$5,000.00.

(10) Where takeout rates in the merged pool are not identical, the net price calculation shall be the method by which the differing takeout rates are applied and when in conformity with M.G.L. c. 128C. (ARCI c. 9 i.c.w. sec. B(3))

7.09: Host State Participation in Merged Pools

(1) With the prior approval of the Commission, an association licensed to conduct pari-mutuel wagering may determine that one or more of its contests be utilized for pari-mutuel wagering at guest facilities in other states, and may also determine the pari-mutuel pools in guest states be combined with corresponding wagering pools established by it as the host track or comparable wagering pools established by two or more states. (ARCI c. 9 i.c.w. sec. C(1))

(2) Rules of racing established for races held in this state shall also apply to interstate common pools unless the Commission shall have specifically otherwise determined. (ARCI c. 9 i.c.w. sec. C(3))

(3) The Commission shall approve agreements made between the association and other participants in interstate common pools governing the distribution of breakage between the jurisdictions in conformity with the general laws of the Commonwealth. (ARCI c. 9 i.c.w. sec. C(4))

(4) Any contract for interstate common pools entered into by the association shall contain a provision to the effect that if, for any reason, it becomes impossible to successfully merge the bets placed in another state into the interstate common pool formed by the association, or if, for any reason, the Commission's or the association's representative determines that attempting to effect transfer of pool data from the guest state may endanger the association's wagering pool, the association shall have no liability for any measures taken which may result in the guest's wagers not being accepted into the pool. (ARCI c. 9 i.c.w. sec. C(5))

(5) Whenever pools from a guest association have not fully commingled with those of the host association, the host association within the Commonwealth will accept the wagers which it has received from the guest association and calculate the odds based upon these wagers. Any wagers

which have not successfully merged into the host pool, upon the authorization of the Commission representative the pools will be closed and the wagers not merged will be returned to the guest association and not calculated into the host association's pools.

(6) Where takeout rates in the merged pool are not identical, the net price calculation shall be the method by which the differing takeout rates are applied where in conformity with M.G.L. c. 128C. (ARCI c. 9 i.c.w. sec. C(2))

7.10: Takeout Rates in Interstate Common Pools

(1) With the prior approval of the Commission, an association wishing to participate in an interstate common pool may change its take-out rate (within the limits permitted by state law) so as to achieve a common take-out rate with all other participants in the interstate common pool. (ARCI c. 9 i.c.w. sec. D(1))

(2) An association wishing to participate in an interstate common pool may request that the Commission approve a methodology whereby host and guest states with different takeout rates for corresponding pari-mutuel pools may effectively and equitably combine wagers from the different states into an interstate common pool when in conformity with M.G.L. c. 128C. (ARCI c. 9 i.c.w. sec. D(2))

REGULATORY AUTHORITY
205 CMR 7.00: M.G.L. c. 128C.