

NOTICE OF PROPOSED RULEMAKING
TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING
CHAPTER 2. ARIZONA RACING COMMISSION

PREAMBLE

1. Articles, Parts, and Sections Affected

Rulemaking Action

| | |
|--------------|-------------|
| R19-2-101 | Amend |
| R19-2-102 | Amend |
| R19-2-103 | Amend |
| R19-2-104 | Amend |
| R19-2-105 | Amend |
| R19-2-106 | Amend |
| R19-2-107 | Amend |
| R19-2-108 | Amend |
| R19-2-109 | Amend |
| R19-2-110 | Amend |
| R19-2-111 | Amend |
| R19-2-112 | Amend |
| R19-2-113 | Amend |
| R19-2-114 | Amend |
| R19-2-115 | Amend |
| R19-2-116 | Amend |
| R19-2-117 | Amend |
| R19-2-118 | Amend |
| R19-2-119 | Amend |
| R19-2-120 | Amend |
| R19-2-121 | Amend |
| R19-2-122 | Amend |
| R19-2-123 | Amend |
| R19-2-124 | Amend |
| R19-2-124.01 | New Section |

| | |
|-----------|-------|
| R19-2-125 | Amend |
| R19-2-126 | Amend |
| R19-2-201 | Amend |
| R19-2-202 | Amend |
| R19-2-204 | Amend |
| R19-2-205 | Amend |
| R19-2-401 | Amend |
| R19-2-402 | Amend |
| R19-2-403 | Amend |
| R19-2-404 | Amend |
| R19-2-405 | Amend |
| R19-2-406 | Amend |
| R19-2-407 | Amend |
| R19-2-408 | Amend |
| R19-2-409 | Amend |
| R19-2-410 | Amend |
| R19-2-411 | Amend |
| R19-2-412 | Amend |
| R19-2-413 | Amend |
| R19-2-414 | Amend |
| R19-2-415 | Amend |
| R19-2-416 | Amend |
| R19-2-417 | Amend |
| R19-2-418 | Amend |
| R19-2-419 | Amend |
| R19-2-420 | Amend |
| R19-2-501 | Amend |
| R19-2-502 | Amend |
| R19-2-503 | Amend |
| R19-2-504 | Amend |
| R19-2-505 | Amend |
| R19-2-506 | Amend |
| R19-2-507 | Amend |

| | |
|-----------|-------|
| R19-2-508 | Amend |
| R19-2-509 | Amend |
| R19-2-510 | Amend |
| R19-2-511 | Amend |
| R19-2-512 | Amend |
| R19-2-513 | Amend |
| R19-2-514 | Amend |
| R19-2-515 | Amend |
| R19-2-516 | Amend |
| R19-2-517 | Amend |
| R19-2-518 | Amend |
| R19-2-519 | Amend |
| R19-2-520 | Amend |
| R19-2-523 | Amend |
| Table 1 | Amend |
| Table 2 | Amend |
| Table 3 | Amend |
| Table 4 | Amend |
| Table 5 | Amend |
| Table 6 | Amend |
| Table 7 | Amend |

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 5-104(A)(2)

Implementing statute: A.R.S. §§ 5-104(A)(3), (B), and (L); 5-104.01(A); 5-107(B); 5-108; 5-108.01; 5-108.05; 5-109.01; 5-111(A); 5-113(F) through (H); 5-117(D); and 41-1072

3. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:

Notice of Rulemaking Docket Opening: 28 A.A.R. 2027, August 12, 2022

4. The agency's contact person who can answer questions about the rulemaking:

Name: Aiden Fleming, Assistant Director

Address: 100 N. 15th Avenue, Suite 202

Phoenix, AZ 85007

Telephone: 602-771-4263

E-mail: afleming@azgaming.gov

Website: gaming.az.com/racing

5. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

Under Laws 2015, Chapter 19, the responsibilities of the Arizona Department of Racing were transferred to the Department of Gaming and the Division of Racing was created within the Department of Gaming. The racing rules are being updated to account for the transfer.

Under Laws 2016, Chapter 246, the legislature amended A.R.S. § 5-110 by adding a provision that outlaws live greyhound racing in Arizona. Simulcasting live greyhound races occurring in other jurisdictions is still permitted. Remaining references to greyhound racing are deleted in this rulemaking.

Under Laws 2019, Chapter 197, the legislature added A.R.S. § 5-117 requiring the Commission to make rules regarding ejecting or excluding a person from a racing meeting or racetrack enclosure and ensuring due process for the person. R19-2-124.01 is added in this rulemaking to fulfill this requirement.

Under Laws 2021, Chapter 234, the legislature added Chapter 11, dealing with event wagering, to A.R.S. Title 5. The Department's rules dealing with event wagering are not part of this rulemaking. However, A.R.S. § 5-1301(7) indicates only an Arizona Indian tribe that has signed the most recent tribal-state gaming contract is authorized to conduct event wagering on tribal lands. As a result, a provision is added in this rulemaking to prevent wagers on racing meetings or simulcasts being made from tribal lands.

In a 5YRR approved by the Council on December 1, 2020, the Division indicated it intended to redraft all of A.A.C. Title 19, Chapter 2, Articles 1, 2, 4, and 5 to increase clarity and make the rules consistent with current agency and industry practice and rule writing standards. This rulemaking accomplishes that goal.

An exemption from Executive Order 2022-01 was provided for this rulemaking by Alyssa Salvaggio, of the Governor's Office, in an e-mail dated March 21, 2022.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may

obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Commission did not review or rely on any study in its evaluation of or justification for any rule in this rulemaking.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The Commission believes minimal economic impact will result from updating language to make rules consistent with the statutory changes made under Laws 2015, Chapter 19 and Laws 2016, Chapter 246, and make the rules more clear, concise, and understandable. The Commission has determined the following changes will have some, but not significant, economic impact:

R19-2-103(E): Shortens the time frame within which the Division will act on a permit application.

R19-2-104(I)(1)(a): A permittee is required to provide a back-up horse ambulance any time horses are on the track.

R19-2-104(I)(1)(b): A permittee is required to provide a licensed health professional trained in diagnosing and assessing concussions any time horses are on the track.

R19-2-106(B)(5): The amount of time an applicant for a trainer license must wait to retake a licensing examination is reduced.

R19-2-109(C)(4): Requires a riding crop used in a race to weigh less than previously allowed and imposes other restrictions on the nature of an allowed riding crop.

R19-2-109(C)(6): Requires a jockey to wear a safety vest when mounted on a horse.

R19-2-110(B): The amount of time an applicant for a jockey-agent license must wait to retake a licensing examination is reduced.

R19-2-113(B)(2): The age at which a horse may no longer race is reduced.

R19-2-113(B)(6): A digital tattoo is required on the foal certificate of all thoroughbred horses.

R19-2-115(E): Specifies the circumstances under which a claim for a horse may be voided.

R19-2-118(B): The minimum scale weight for quarter horses is increased.

R19-2-119(C)(1)(c): Adds a requirement regarding use of a flipping halter.

R19-2-120(B)(2): The list of drugs excluded from a location under the Division's jurisdiction is expanded.

R19-2-120(B)(4): Forbids use of a nasogastric tube to administer a drug to a horse under certain circumstances.

R19-2-120(F)(3): Establishes allowable levels of NSAIDs.

R19-2-120(G)(7): Indicates a Division-approved third-party Lasix program may be used to administer furosemide to a horse.

R19-2-120(I)(3): Establishes limits for environmental or human-induced contaminants.

R19-2-120(O): Allows either a Division or track veterinarian to conduct the pre-race inspection of horses.

R19-2-124(E): The number of hard copies required with an appeal to the Commission is reduced from five to one.

R19-2-124.01: Adds due process rights available to a licensee whose participation is alleged to be detrimental to the integrity of horse racing.

R19-2-410(M)(3): Adds a requirement that an ADWP use a geofence system to monitor the physical location of an ADW account holder and block attempts to make wagers while on tribal lands.

R19-2-503(B): Requires a pari-mutuel ticket to be imprinted with both an issue and expiration date.

R19-2-509(A): Reduces the time between updates of information posted regarding odds and will-pay amounts.

9. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:

Name: Aiden Fleming, Assistant Director

Address: 100 N. 15th Avenue, Suite 202
Phoenix, AZ 85007

Telephone: 602-771-4263

E-mail: afleming@azgaming.gov

Website: gaming.az.com/racing

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the proposed rules will be held as follows:

Date: Monday, February 13, 2023

Time: 1:00 p.m.

Location: Virtual Proceeding

Video call link: <https://meet.google.com/jhm-kmxi-msw>

Or dial: (US) +1 260-302-1228 PIN: 351 844 339#

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The Commission does not issue general permits. A.R.S. § 5-107(B) specifies the information a person must submit to obtain a racing meeting permit. A.R.S. § 5-107.01 requires all officials and other person involved in horse racing to obtain a license. A.R.S. § 5-108 requires the Department to conduct a thorough investigation of every applicant.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

The Interstate Horseracing Act, 15 U.S.C. Chapter 57, which regulates interstate commerce with respect to wagering on horseracing, applies to these rules. The rules are consistent with and not more stringent than the federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

R19-2-101: The Test Barn Chain of Custody and Procedures: Considerations and Recommendations, developed by the Racing Medication and Testing Consortium, 401 W Main Street, Suite 222, Lexington, KY 40507, 2016 edition, is incorporated.

13. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

ARTICLE 1. HORSE RACING

Section

- R19-2-101. Power and Authority
- R19-2-102. Definitions
- R19-2-103. Permit ~~Applications~~ Application; Temporary Permit; Renewal
- R19-2-104. Permittee Responsibilities
- R19-2-105. Charity Races
- R19-2-106. Licensing
- R19-2-107. Stable Names
- R19-2-108. Leases
- R19-2-109. Jockeys and Apprentice Jockeys
- R19-2-110. Jockey Agents
- R19-2-111. Trainers
- R19-2-112. Prohibited Acts
- R19-2-113. Entries, Starts, Fees, Closing, and ~~Subscriptions~~ Declarations
- R19-2-114. Penalties and Allowances
- R19-2-115. Claiming Races
- R19-2-116. Arizona Bred Eligibility and Breeders' Award Payments
- R19-2-117. Objections
- R19-2-118. Scale of Weights for Age
- R19-2-119. Running the Race and Winnings
- R19-2-120. Veterinary Practices, Animal ~~Medication~~ Drugs, and Animal Testing
- R19-2-121. Officials
- R19-2-122. Transfers
- R19-2-123. Procedure before the ~~Department~~ Division
- R19-2-124. Procedure before the Commission
- R19-2-124.01. Ejection or Exclusion
- R19-2-125. Arizona Stallion Awards
- R19-2-126. Race Horse Adoption Grants

ARTICLE 2. RACING REGULATION FUND

Section

- R19-2-201. Racing Regulation Fund
- R19-2-202. Licensing License and Permit Fees
- R19-2-204. Regulatory Assessment for Dark Day Simulcasting
- R19-2-205. Regulatory Wagering Assessment of Pari-mutuel Pools

ARTICLE 4. ADVANCE DEPOSIT WAGERING, TELETRACKING, AND SIMULCASTING

Section

- R19-2-401. Definitions
- R19-2-402. ADWP Licensing Requirements
- R19-2-403. ADW Permit Applications and Requirements
- R19-2-404. Application for ~~ADWP~~ ADW Permit; Plan of Operation
- R19-2-405. ~~Contracts and Agreements~~ Additional Information Required
- R19-2-406. Plan of Operation Approval and Amendments
- R19-2-407. ~~ADWP~~ ADW Permit Renewal
- R19-2-408. ADWP Licensing
- R19-2-409. ~~ADW~~ ADWP ~~Racetrack~~ Permittee Contracts
- R19-2-410. ADW Accounts
- R19-2-411. Advance Deposit Wagering
- R19-2-412. Teletrack Wagering
- R19-2-413. General Provisions Regarding Teletrack Wagering Facilities
- R19-2-414. Application for ~~Original~~ Teletrack Wagering Permit; Plan of Operation; ~~Renewals of~~
~~Teletrack Wagering Permit~~ Renewal
- R19-2-415. Approval of Additional Teletrack Wagering ~~Facilities~~ Facility; Plan of Operation;
~~Renewal or Approval of Additional Wagering Facilities~~
- R19-2-416. Suspension of Teletrack Wagering Permit
- R19-2-417. Licensing of Employees at Teletrack Wagering Facilities
- R19-2-418. Directives
- R19-2-419. Simulcast Wagering
- R19-2-420. Interstate Common Pool Wagering

ARTICLE 5. PARI-MUTUEL WAGERING

| | |
|------------|--|
| Section | |
| R19-2-501. | General |
| R19-2-502. | Records |
| R19-2-503. | Pari-mutuel Tickets |
| R19-2-504. | Pari-mutuel Ticket Sales |
| R19-2-505. | Advance Performance Wagering |
| R19-2-506. | Claims for Payment from Pari-mutuel Pool |
| R19-2-507. | Payment for Errors |
| R19-2-508. | Betting <u>Wagering</u> Explanation |
| R19-2-509. | Display of Betting <u>Wagering</u> Information |
| R19-2-510. | Cancelled Contests |
| R19-2-511. | Refunds |
| R19-2-512. | Coupled Entries and Mutuel Fields |
| R19-2-513. | Pools Dependent upon Betting <u>Wagering</u> Interests |
| R19-2-514. | Prior Approval Required for Betting <u>Wagering</u> Pools |
| R19-2-515. | Closing of Wagering in a Contest |
| R19-2-516. | Complaints Pertaining to Pari-mutuel Operations |
| R19-2-517. | Licensed Employees <u>Employee's Duty to Report</u> |
| R19-2-518. | State Mutuel Supervisor |
| R19-2-519. | Mutuel Manager |
| R19-2-520. | Stored Value Instruments |
| R19-2-523. | Calculation of Payoffs <u>Payouts</u> and Distribution of Pools |
| Table 1. | Win Pool—Standard Price Calculation |
| Table 2. | Place Pool—Standard Price Calculation |
| Table 3. | Show Pool—Standard Price Calculation |
| Table 4. | Show Pool—Single Takeout Rate & Single Betting <u>Wagering</u> Source |
| Table 5. | Double Pool—Standard Price Calculation |
| Table 6. | Double Pool—Consolidation Pricing |
| Table 7. | Pick 7 Pool—Multiple Takeout Rates & Multiple Betting <u>Wagering</u> Sources |

ARTICLE 1. HORSE RACING

R19-2-101. Power and Authority

- A. All powers of the ~~Department~~ Division and Commission not specifically defined in this Chapter are reserved to the ~~Department~~ Division and Commission under the law creating and specifying the powers and duties of the ~~Department~~ Division and Commission ~~and specifying its powers and duties~~.
1. The Division may delegate execution of its statutory powers and duties to the Director; and
 2. The Director shall keep the Commission informed regarding matters the Commission delegated to the Director.
- B. The jurisdiction of the ~~Department~~ Division and Commission over matters covered by A.R.S. Title 5, Chapter 1 and this Chapter is continuous throughout the year.
- C. A.R.S. Title 5, Chapter 1, this Chapter, and the orders of the ~~Department~~ Division and Commission take precedence over the conditions of a race or the conditions of a race meet.
- D. The Director may sustain, reverse, or modify any penalty or decision imposed by the stewards.
- E. The Commission may sustain, reverse, or modify any penalty or decision imposed by the Director.
- F. The Director shall, upon request, provide the Commission with reports related to the administration of the Division.
- G. When a duty of a Division official is specified in A.R.S. Title 5, Chapter 1 and this Chapter, the authority of the Division official to perform the duty may be exercised by an approved designee of the Division official unless the context specifying the authority indicates otherwise.

R19-2-102. Definitions

The definitions in A.R.S. § 5-101 apply to this Chapter. Additionally, unless the context requires otherwise, in this Article:

1. “Added money” means money a permittee adds to the nominating and starting fees in a race.
2. “Age” means the age of a horse as computed from the first day of January in the year in which the horse is foaled.
3. “Allowance” means the amount by which the starting weight a horse is allowed to carry may be reduced because of certain factors including past performance of the horse, money won by the horse, conditions of the race, or the horse is being ridden by an apprentice.
- ~~3.4.~~ “Allowance race” means an overnight race for which a horse’s eligibility and weight to be carried are determined according to specified conditions that include age, sex, earnings, and number of wins.

- ~~4.5.~~ “Also eligible” means a horse, properly entered for a race, which is not drawn for inclusion in the race but becomes eligible according to preference or lot if an entry is scratched before the scratch-time deadline.
6. “ARCI” means the Association of Racing Commissioners International.
7. “A.R.S.” means Arizona Revised Statutes, the laws of the state of Arizona.
- ~~5.8.~~ “Authorized agent” means a person appointed under R19-2-106(G) licensed by the Division that is appointed by an owner to perform acts relating to racing on behalf of the owner. The owner shall make the appointment by written instrument that is notarized or signed in the presence of a Division employee.
- ~~6.9.~~ “Breakage” means net pool minus payout.
- ~~7.10.~~ “Breeder” means the owner or lessee of a horse’s dam at the time the horse is foaled.
8. ~~“Breeding place” means the place of birth of a horse.~~
- ~~9.11.~~ “Business day” means a day on which live racing is conducted or a day on which entries are taken.
12. “Business entity” means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal form of business organization except an individual or sole proprietorship.
- ~~10.13.~~ “Carryover” means non-distributed pool monies that are retained and added to a corresponding pool in accordance with this Chapter.
- ~~11.14.~~ “Claiming race” means a horse race in which each owner declares in advance the price at which the owner’s horse will be offered for sale after the race.
15. “Classification Guidelines” means the uniform classification guidelines for foreign substances and recommended penalties and model rule established by ARCI.
- ~~12.16.~~ “Complaint” means a written allegation of a violation of A.R.S. Title 5, Chapter 1, or this Chapter.
- ~~13.17.~~ “Contest” means a competitive racing event on which pari-mutuel wagering is conducted.
18. “Contestant” means a jockey or horse that participates in a contest.
19. “Coupled entry” means two or more horses entered in a race as a single wagering unit and are:
- a. Owned, in whole or in part, by the same owner; or
 - b. Trained by a trainer who owns an interest in another horse in the race.
- ~~14.20.~~ “Declaration” means the act of withdrawing an entered horse from a race.
21. “Director” means the appointed Executive Director of the Division.
22. “Division” means the Division of Racing within the Department.

23. “Drug” means a compound, application, medication, pharmacological substance, or metabolite that can be introduced or administered to a horse or human by any means including a substance that is controlled or not controlled, naturally occurring or in a foreign substance, legal or illegal, therapeutic or non-therapeutic, or available by prescription or over the counter.
- ~~15:~~24. “Entrance fee” means ~~a fee~~ the amount of money set by a permittee that must be paid to make a horse eligible for a stakes race.
- ~~16:~~25. “Entry” means ~~according to its context, either:~~
- a. ~~A~~ a horse eligible and entered in a race; ~~or,~~
 - b. ~~Two or more horses that are entered in a race as a single wagering unit and are:~~
 - i. ~~Owned, in whole or in part, by the same owner; or~~
 - ii. ~~Trained by a trainer who owns an interest in another horse in the race.~~
- ~~17:~~26. “Equipment” means ~~whips~~ riding crops, blinkers, tongue straps, muzzles, hoods, nose bands, shadow rolls, martingales, breast plates, bandages, boots, plates (shoes), and ~~all~~ other paraphernalia that is or might be used on or attached to a horse while racing.
27. “Exclude or eject” means an action taken by the track stewards against a licensee under A.R.S. § 5-117.
- ~~18:~~28. “Field” means:
- a. ~~The~~ the entire group of horses in a race; ~~or,~~
 - b. ~~Two or more starting horses running as a single wagering unit when there are more starting horses in a race than positions of the tote.~~
29. “Flipping halter” means a device attached to a horse’s bridle and the starting gate with the intention of stopping the horse from flipping in the starting gate.
- ~~19:~~30. “Foreign substance” means ~~any~~ a drug, medicine, metabolite, or other substance that does not exist naturally in an untreated horse and that may have a pharmacological effect on the racing performance of a horse or may affect sampling or testing procedures. Foreign substances include but are not limited to stimulants, depressants, local anesthetics, narcotics, and analgesics.
- ~~20:~~31. “Foul” means ~~any~~ an action by a horse or jockey that interferes with another horse or jockey in the running of a race.
32. “Geofence” means a virtual perimeter for a real geographical location, defined by a global positioning system or radio frequency identification technology, that enables software to trigger a response when a mobile device enters or leaves the geographical area.
- ~~21:~~33. “Grounds” means the entire area used by a permittee to conduct a race meet including, but not limited to, the track, grandstand, stables, concession areas, and parking facilities.

- ~~22-34.~~ “Handicap race” means a race in which the weight to be carried by each entered horse is adjusted to equalize each horse’s chance of winning.
35. “Health professional” has the same meaning as prescribed at A.R.S. § 32-3201.
- ~~23-36.~~ “Horse” means ~~a filly, mare, colt, horse, gelding, and ridgling except when referring to sex,~~ “horse” means a male that is five years or older and retains all reproductive organs a member of the subspecies equus ferus caballus.
- ~~24-37.~~ “Hurdle race” means a race over a track ~~in which jumps or with~~ hurdles are used that a horse is required to jump.
25. “Immediate,” for the purpose of suspension or revocation of a license issued under this Chapter, means the first date that the suspension or revocation does not negatively impact another licensee, as determined by the Department.
38. “IHA” means the Interstate Horseracing Act of 1978, 15 U.S.C. § 3001 et seq.
- ~~26.~~ “Inactive person” means ~~an individual who has never been licensed or whose license has expired, been revoked, or been suspended for more than 30 days.~~
- ~~27-39.~~ “Inquiry” means an investigation of possible interference in a contest that is initiated and conducted by the stewards before the stewards declare the result of the contest official.
- ~~28-40.~~ “In-today horse” means a horse that is entered and has drawn a position to run on one race day and also is entered for the next race day.
- ~~29-41.~~ “Lawfully issued prescription” means a prescription-only drug, as defined at A.R.S. § 13-3401, obtained directly from or under a valid prescription order written by a licensed ~~physician~~ health professional acting in within the course scope of professional practice for the health professional.
30. “Lessee” or “lessor” means a person who leases a horse for racing purposes.
- ~~31-42.~~ “Maiden” means a horse that at the time of starting has never won a race on the flat in any country on a recognized track or that was disqualified after finishing first.
- ~~32-43.~~ “Match race” means a race conducted on a permittee’s track between two or more horses, each of which is the property of different owners, on terms agreed to by the owners and approved by the ~~Department~~ Division.
- ~~33-44.~~ “Minus pool” means there is not enough money, after deductions of state tax and statutory commissions, to pay the legally prescribed minimum on each winning wager.
45. “Mutuel field” means two or more starting horses running as a single wagering unit because there are more starting horses in a race than tote positions.
- ~~34-46.~~ “Net pool” means the sum of all wagers on a race minus refundable wagers and statutory commissions.

- ~~35-47.~~ “Net take” means the amount of a track’s commission minus allowed deductions.
- ~~36-48.~~ “Nominating fee” means ~~a fee~~ the amount of money set by a permittee that must be paid to make a horse eligible for a stakes or handicap race.
- ~~37-49.~~ “Nomination” means naming a horse or its foal in utero to compete in a specific race or series of races, eligibility for which may require paying a fee at the time of naming.
- ~~38-50.~~ “Nominator” means the person in whose name a horse is nominated for a stakes or handicap race.
- ~~39-51.~~ “Official laboratory” means the drug-testing facility with which the ~~Department~~ Division contracts under A.R.S. § 5-105(A).
- ~~40-52.~~ “Official race program or official race card” means a published listing of all contests and contestants for a specific performance.
- ~~41-53.~~ “Off time” means the moment at which, on signal of the starter, the horses break and run.
- ~~42-54.~~ “Overnight race” means a race for which entries close ~~96 or fewer hours before the time set for the first race of the day on which the race is to be run~~ a specific number of hours before running, as specified by the Racing Secretary and approved by the stewards, as opposed to a stakes race for which nominations close weeks or months in advance.
- ~~43-55.~~ “Overpayment” means the amount by which purses paid exceed the amount due horsemen based on the net take and breakage.
- ~~44-56.~~ “Owner” means any person possessing all or part of the legal title to a horse and is licensed by the Division and registered with the Racing Secretary.
- ~~45-57.~~ “Payout” means the amount of money payable to persons that made winning wagers.
- ~~58.~~ “Penalty” means, with regard to race conditions, extra weight a horse must carry, especially in a handicap race. With regard to any other context, penalty means punishment imposed for a violation of A.R.S. Title 5, Chapter 1, or this Chapter.
- ~~46-59.~~ “Performance” means, in relation to an official race program, a schedule of races run consecutively as one program.
- ~~60.~~ “Permittee” means person to which the Commission has issued a permit to operate a racing meeting, unless otherwise specified.
- ~~61.~~ “Person” means an individual as well as a corporation, partnership, limited liability company, association, firm, society, or other legal entity.
- ~~47-62.~~ “Place” means a horse finishes in one of the first three positions in a race.
- ~~48-63.~~ “Pool” means the sum of all wagers on a race.
- ~~49-64.~~ “Post position” means the position assigned to a horse for the start of a race.
- ~~50-65.~~ “Post time” means the time set for horses in a race to arrive at the starting point.

- ~~51-66.~~ “Preferred list” means a record of a horse with a prior right to starting usually because the horse was previously entered in a race that did not fill with the required minimum number of horses.
- ~~52-67.~~ “Program or paper trainer” means a licensed trainer who, solely for the purpose of identified ~~in~~ the official race program, is identified as the trainer of a horse that is actually under the control of and trained by another individual who may or may not hold a current trainer’s license in any jurisdiction ~~and who is not identified in the official race program as the trainer of the horse.~~ For a particular horse, an individual cannot be both the trainer and program trainer at the same time.
- ~~53-68.~~ “Prohibited ~~substance~~ drug” means any substance regulated by A.R.S. Title 13, Chapter 34.
- ~~54-69.~~ “Purse” means the total dollar amount for which a race is contested.
- ~~55-70.~~ “Purse race” means a race for money or other prize to which owners of horses engaged in the race do not contribute an entry fee.
- ~~56-71.~~ “Quarter race” means a race on the flat of 1,000 yards or less.
- ~~57-72.~~ “Race” means a contest among horses for purse, stakes, premium, or wager for money, ~~that~~ which is run in the presence of racing officials of the track and a ~~Department~~ Division representative.
- ~~58-73.~~ “Race meet or racing meeting” means the period for which a permit to conduct racing, live or otherwise, is granted to a permittee by the Commission.
- ~~59-74.~~ “Race on the flat” means a race over a track on which no jumps or other obstacles are placed.
- ~~60-75.~~ “Racing Regulation Fund” means the fund established under A.R.S. § 5-113.01 and administered by the ~~Department~~ Division to receive funding for regulation of racing from various pari-mutuel racing industry sources.
- ~~61-76.~~ “Racing ~~secretary~~ Secretary” means the official who drafts conditions of races.
- ~~62-77.~~ “Recognized track” means a track where pari-mutuel wagering is authorized by law or that is recognized by the ~~American Quarter Horse Association~~ Division.
- ~~78.~~ “Reportable disease” means a disease listed on the current U.S. National List of Animal Diseases (NLRAD), which is published by the U.S. Department of Agriculture.
- ~~63-79.~~ “Restricted area” means an enclosed portion of a permittee grounds to which access is limited to licensees whose occupation or participation requires access.
- ~~64-80.~~ “Result” means the part of the official order of finish used to determine the pari-mutuel payout of pools for each contest.
- ~~65.~~ “~~Ridgling~~” ~~means a male horse that has one or both testicles absent from the scrotum.~~
- ~~81.~~ “RMTC” means Test Barn Chain of Custody and Procedures: Considerations and Recommendations, developed by the Racing Medication and Testing Consortium, 401 W Main

Street, Suite 222, Lexington, KY 40507, 2016 edition, which is incorporated by this reference and on file with the Division and the Office of the Secretary of State. The material incorporated includes no future edition or amendments.

~~66:82.~~ “Ruled off” means the act of:

- a. ~~Barring a licensee from the grounds of a permittee and denying the licensee all racing privileges; or~~
- b. ~~Preventing~~ preventing a horse from being entered because the stewards have determined that preventing the horse from racing is in the best interest of the health, safety, and welfare of licensees and the state.

~~67:83.~~ “Scratch” means to withdraw an entered horse from a race after overnight entries have been closed.

~~68:84.~~ “Scratch time” means the time set by the permittee for withdrawing entered horses from the races of a particular day.

85. “Split sample” means a portion of a test sample that is analyzed by a different laboratory to check the accuracy of the analysis by the official laboratory of the primary test sample. Depending on the quantity of the test sample collected, a split sample amount may not equal the primary test sample amount.

~~69:86.~~ “Stakes race” means a race for which the owner of an entered horse is required to pay a subscription fee to which the track may add that may be added to money or other prize to make up the total purse and for which nominations close more than 72 hours before the time for the first race of the day on which the stakes race is to be run.

~~70:87.~~ “Starter race” means an allowance race or handicap race restricted to horses that have previously started for a specified claiming price or less and for which the ~~racing secretary~~ Racing Secretary may establish other conditions.

~~71:88.~~ “Starting fee” means the amount of money, specified by the conditions of the race and set by the permittee, which must be paid by a horse’s owner for the horse to start in a race.

~~72:89.~~ “Starting horse” means a horse that leaves the paddock for the post, excluding:

- a. A horse subsequently excused by the stewards; or
- b. A horse for which the starting gate stall doors do not open in front of the horse at the time the starter dispatches the field, except when use of a flipping halter prevents the starting gate from opening.

~~73:90.~~ “Steward” means an official of a race meet responsible for enforcing A.R.S. Title 5, Chapter 1 and this Chapter.

- ~~74.~~91. “Subscription fee” means the ~~fee~~ the amount of money paid by the owner to ~~nominate~~ maintain the eligibility of a horse nominated for a stakes race.
- ~~75.~~92. “Supplemental fee” means ~~a fee~~ the amount of money set by a permittee that must be paid by a horse’s owner at a time prescribed by the permittee to make the horse eligible for a stakes race after the time for nominations is closed.
- ~~76.~~93. “Suspended” means ~~that~~ a privilege granted by the officials of a race meet or by the Commission or ~~Department~~ Division has been temporarily withdrawn.
- ~~77.~~ “Sustaining fees” ~~mean fees that must be paid periodically, as prescribed by the conditions of a race, to keep a horse eligible for the race.~~
- ~~78.~~94. “TCO₂ TCO₂” means total carbon dioxide.
- ~~95.~~ “Test sample” means a portion of any biological substance or fluid, including but not limited to, tissue, hair, saliva, blood, or urine obtained from a horse or licensee at the direction of the Division to determine the presence and concentration of drugs. The portion of a test sample sent to the official laboratory is the primary test sample.
- ~~79.~~96. “Tote or totalisator” means the machines from which pari-mutuel tickets are sold and the board on which the approximate odds for a race are posted.
- ~~80.~~97. “Track” means the course over which a race takes place.
- ~~81.~~98. “Trainer” means a person employed by an owner or lessee to condition a horse for racing.
- ~~82.~~99. “Underpayment” means the amount by which ~~the amount due horsemen, based on the net take and breakage, exceeds the amount of purses paid~~ are less than the amount due horsemen based on the net take and breakage.
- ~~83.~~100. “Walkover” means a race in which there are not two or more horses of separate interest sent to post.
101. “Weigh-in” means the presentation of a jockey to the clerk of scales for weighing after a race.
102. “Weigh-out” means the presentation of a jockey to the clerk of scales for weighing before a race.
- ~~84.~~ “Weight” means ~~the standard weight described in R19-2-118.~~

R19-2-103. Permit Applications Application; Temporary Permit; Renewal

- A. A person ~~or persons, associations, or corporations~~ desiring to hold or conduct a horse racing meeting ~~within the state of~~ in Arizona shall ~~file~~ submit a permit application with the Commission ~~its permit application~~ that contains the information required in A.R.S. § ~~5-107~~ 5-106. The permit applicant may submit a in paper copy and or in an electronic medium copy of the application. ~~All~~ A permit applicant shall ensure an electronic media submissions shall be submission is compatible with the Department’s

Division's computer system and software. ~~If any addendum to the permit application cannot be submitted in an electronic medium, the applicant shall submit the addendum in a paper copy.~~

- B. The ~~Department~~ Division shall not issue a permit until the applicant ~~has furnished~~ furnishes evidence of compliance with A.R.S. § ~~23-901 et seq. (Workers' Compensation)~~ Title 23, Chapter 6, regarding Workers' Compensation.
- C. ~~Permit applicants~~ A permit applicant shall submit to the Commission the names of the proposed track officials at least ~~60~~ 30 days ~~prior to~~ before the beginning of ~~their meet~~ the racing meeting, along with a short biographical sketch of each track official not previously licensed in the same capacity by the ~~Department~~ Division.
- D. A permit applicant shall specify in the application ~~shall specify~~ required under subsection (A) the number of races to be run on a daily basis.
- ~~E. Racing shall be conducted only on those days granted by permit.~~
- ~~F.E.~~ Permit Application Time frames time frames.
 - 1. Administrative completeness review ~~time frame~~ time frame.
 - a. Within ~~728~~ 90 days after receiving ~~an application package~~ the information required under this Section, the ~~Department~~ Division shall determine whether the application ~~package contains the information required by subsections (A), (B), (C), and (D) is complete.~~
 - b. If the application ~~package~~ is incomplete, the ~~Department~~ Division shall issue a written notice that specifies what information is ~~required~~ missing ~~and return the application.~~ If the application ~~package~~ is complete, the ~~Department~~ Division shall provide a written notice of administrative completeness.
 - c. The ~~Department~~ Division shall deem an application ~~package~~ withdrawn if the applicant fails to ~~file a complete application package~~ submit the missing information within 180 days ~~of~~ after being notified ~~that~~ the application ~~package~~ is incomplete.
 - 2. Substantive review ~~time frame~~ time frame. Within ~~30~~ 60 days after providing the notice of administrative completeness or at the next scheduled Commission meeting after receipt of a complete application package, whichever is later, the Commission, with the recommendation of the ~~Department~~ Division, shall determine whether the applicant meets all substantive requirements and issue a written notice granting or denying the permit.
 - 3. Overall ~~time frame~~ time frame. For the purpose of A.R.S. § 41-1073, the ~~Department~~ Division establishes the following ~~time frames~~ time frames for issuing a permit.
 - a. Administrative completeness review ~~time frame~~ time frame: ~~728~~ 90 days;
 - b. Substantive review ~~time frame~~ time frame: ~~30~~ 60 days;
 - c. Overall ~~time frame~~ time frame: ~~758~~ 150 days.

4. Renewal and temporary permit ~~time-frames~~ time frames.
 - a. ~~The~~ For the purpose of A.R.S. § 41-1073, the Division establishes the following time frames for an application to renew a permit or for issuance of a temporary permit:
 - i. ~~administrative~~ Administrative completeness review ~~time-frame is~~ time frame: 30 ~~60~~ days,
 - ii. ~~the substantive~~ Substantive review time-frame: is 30 days, and the overall time frame is
 - iii. Overall time frame: 60 ~~90~~ days, excluding time for mailing.
 - b. ~~The renewal~~ An application to renew a permit or for issuance of a temporary permit is considered administratively complete unless the ~~Department~~ Division issues a written notice of deficiencies to the applicant.
 - c. ~~Temporary permits are~~ A temporary permit is valid until a full permit is ~~awarded~~ issued, not to exceed 90 days from the date the temporary permit is issued, or until the Commission revokes the temporary permit.

R19-2-104. Permittee Responsibilities

- A. A permittee shall maintain the grounds in a neat, clean, and safe condition. If ~~a steward~~ the Division determines ~~that~~ a permittee is not in compliance with this Section, the ~~steward~~ Division shall require ~~that~~ the permittee immediately to bring the grounds into compliance immediately.
- B. ~~The~~ A permittee shall prevent any person, ~~corporation, firm, or association~~ not licensed by the ~~Department~~ Division from performing at the permittee's track any act ~~at it's the track which~~ that requires a license under A.R.S. Title 5, Chapter 1, or this Article.
- C. ~~Each~~ A permittee department head shall ~~see that~~ ensure the permittee department head's employees are licensed and furnish, on request, a list of the employees ~~upon request to the Division~~.
- D. A permittee shall take all steps necessary to deny the privileges of a license to anyone whose license has been revoked or suspended and to keep such a person off the grounds of the permittee and to prevent a person who has been ruled off from entering the grounds of the permittee If the Division revokes or suspends the license of a person, a permittee shall enforce the denial of privileges for the person whose license was revoked or suspended and prevent the person from entering the grounds of the permittee.
- E. A permittee shall ensure live racing is conducted only on the days granted by the permit.
- ~~E.F.~~ A permittee or its employees shall not obstruct a representative of the ~~Department~~ Division performing the representative's duties.
- ~~F.G.~~ A permittee shall not knowingly allow on its grounds any ~~betting~~ wagering or other operations in contravention of any law of ~~the state of~~ Arizona or ~~of~~ the United States.
- ~~G.H.~~ The A permittee shall immediately report to the Division ~~all~~ any observed ~~violations~~ violation of any racing ~~regulation~~ rule or statute ~~to the Department~~ and shall cooperate with the ~~Department~~

Division and ~~with~~ state, federal, and local authorities in investigations of any alleged ~~violations~~ violation.

I. A permittee shall report a licensee to the stewards if the permittee reasonably believes the licensee poses an immediate threat to the integrity of racing or public safety.

H.J. A permittee shall provide the following services at the track:

1. Any time horses are on the track:

~~1.~~ a. A staffed horse ambulance and at least one back-up horse ambulance, approved by the ~~Department~~ Division, for the ~~removal of crippled~~ removing injured animals from the track;

~~2.~~ b. A ~~physician~~ licensed health professional or emergency paramedic certified under A.R.S. § 36-2205 ~~on duty during racing hours~~ with at least one person trained in diagnosing and assessing concussions;

~~3.~~ c. An ambulance, as defined at A.R.S. § 36-2201, available during morning works and racing hours; and

~~4.~~ d. First aid quarters, ~~available during morning works and racing hours~~;

~~5.2.~~ A detention paddock (test barn) test barn or other suitable area approved by the Division where all winners and other horses selected by the stewards are taken and kept under the supervision of the ~~Department~~ Division veterinarian until ~~saliva, urine, blood, and other~~ test samples have been obtained;

~~6.3.~~ An adequate security force whose duties include: at assigned locations according to a plan approved by the Division.

a. The duties of the security force include:

~~a.~~ i. Maintaining order;

~~b.~~ ii. ~~Excluding~~ Barring from the grounds all handbooks, touts, and operators of gambling devices;

~~c.~~ iii. ~~Excluding~~ Barring from the grounds all persons ~~ruled off by the stewards or the Department~~, ejected or excluded under A.R.S. § 5-117;

~~d.~~ iv. ~~Excluding~~ Barring from the grounds all persons not eligible for a license under A.R.S. § 5-108;

~~e.~~ v. Immediately reporting to the stewards any licensee who, while on the ~~premises~~ grounds of the permittee, creates a disturbance, is intoxicated, interferes with any racing operation, or acts in an abusive or threatening manner to any racing official or other person; and

vi. Prohibit an individual other than a licensee from entering a restricted area unless the individual obtains a restricted-area pass from the permittee; and

7. ~~b.~~ A ~~The security force includes a uniformed guard stationed at the stable area entrance whose duties include the following locations:~~
- ~~a. i.~~ Denying Each stable entrance to deny entrance to all persons not holding a license or credentials issued by the Department Division or a Departmental Division pass issued by the permittee;
 - ii. Paddock entrances during racing hours; and
 - iii. Test barn during racing hours until all test samples are collected; and
 - ~~b.~~ Allowing any person seeking employment within the stable area to have access to that area for a period of one day, provided that:
 - ~~i.~~ The person is given a numbered card.
 - ~~ii.~~ A list of recipients of the numbered cards is provided to the track office of the Department upon request.
 - ~~iii.~~ The numbered card is retrieved by the security guard when the person leaves the stable area.
 - ~~iv.~~ The track office of the Department is notified of the retrieval.

~~8.4.~~ A furnished office, including utilities and necessary office equipment, which is adequate for the exclusive use of Department Division employees and officials.

~~9.~~ A ~~uniformed security official approved by the Department, on duty in the Department test barn during its regular business hours. The official shall provide security and monitor the collection procedure and sealing of samples taken from the horses.~~

~~10.~~ A ~~copy of all tip sheets offered for sale in the parking area or elsewhere on the grounds of the permittee, furnished daily to the stewards not later than three hours before first post.~~

~~I.~~ A ~~person shall not sell tip sheets, pamphlets, or other printed matter purporting to predict the outcome of a race other than official programs, the Daily Racing Form, and newspapers in the betting area.~~

~~J.K.~~ Wagering A permittee shall allow wagering to be conducted upon the grounds of a permittee only under the pari-mutuel method as provided by statute and this Article Chapter and by the use of such mechanical or other equipment as required by the Department may require Division. Bookmaking or ~~betting~~ wagering other than by the pari-mutuel method is prohibited.

~~K.L.~~ A ~~permittee shall not allow the official racing of horses on any track under it's the permittee's control except as provided by subsection (P) below (Q) unless:~~

- ~~1.~~ The conditions of the race have been written by the racing secretary Racing Secretary at the meeting;
- ~~2.~~ The entries have been made in accordance with the requirements set forth in at R19-2-113; and

3. The race is programmed as a part of a ~~regular racing~~ an official race card conducted under the pari-mutuel system.

~~L.M.~~ On A permittee shall post a list of entries and declarations in a conspicuous place on a daily basis, ~~and~~ as soon as the entries have been closed and compiled and the declarations have been made, ~~the~~ permittee posts a list of the entries and declarations in a conspicuous place.

~~M.N.~~ A permittee shall print on a ~~daily racing~~ an official race program:

1. a A list of all officials and directors of the permittee, ~~and~~
2. A list of track and racing officials, ~~together with such~~ and
3. pertinent Pertinent rules as the ~~Department may designate~~ designated by the Division.

~~N.O.~~ A Except as provided in R19-2-121(A)(5), a permittee shall not allow an official to act until the official's appointment has been approved by the ~~Department~~ Division; ~~provided that, in the case of~~ sickness or inability to act, the provisions of R19-2-121(A)(5) apply.

~~O.P.~~ The A permittee shall provide a photo finish and ~~videotape~~ video-recording device, approved by the ~~Department~~ Division, ~~for the purpose of recording to record~~ all races. The photographs and ~~videotapes~~ video recordings may be used to ~~aid~~ help the stewards ~~in determining~~ determine the finishes of races. ~~Permittees~~ A permittee shall retain for ~~three months~~ all official race photographs and ~~videotapes~~ video recordings for three months. The ~~Department~~ Division may require that specific photographs and ~~videotapes~~ video recordings be retained for a longer period of time or be transmitted to the ~~Department~~ Division for ~~subsequent use in~~ administrative or judicial proceedings.

~~P.Q.~~ Notwithstanding subsection ~~(K)~~(L), wagering may be conducted, ~~by permission of the~~ Department in accordance with A.R.S. § 5-112, on electronically televised simulcasts provided if:

1. The simulcasts originate from a racing facility outside ~~the state~~ of Arizona;
2. The race is televised on the grounds of the permittee;
3. The televised race is included with the posted races for that racing day;
4. The televised race complies with the ~~Interstate Horseracing Act of 1978 (15 U.S.C. 3001 et seq.)~~ IHA; and
5. Monies wagered are computed in the total daily handle.

~~6.R.~~ An If a permittee sends a simulcast signal to an out-of-state facility, ~~receiving a simuleast~~ originating from a racing facility within the state of Arizona, operates under the approval and regulation of an official agency of that state the permittee shall comply with all requirements of the IHA, A.R.S. Title 5, Chapter 1, and this Chapter.

~~Q.S.~~ Any A permittee shall install within the starting gate an automatic timing device ~~installed by the~~ permittee shall have the approval of the ~~Department~~ approved by the Division.

R.T. ~~Each~~ A commercial horse racing permittee shall furnish the ~~Department~~ Division with annual financial statements that are audited and certified by a firm approved by the ~~auditor general~~ Arizona Auditor General. The auditing firm shall:

1. ~~The firm shall conduct~~ Conduct the audit in accordance with audit standards prescribed by the ~~auditor general~~. Arizona Auditor General;
2. ~~The firm shall prepare~~ Prepare the financial statements in accordance with generally accepted accounting practices;
3. ~~The firm shall use~~ Use the following accounting practices:
 - a. ~~Overpayments shall be treated~~ Treat overpayments as an asset to the extent ~~that~~ they are recoverable. ~~Overpayments are reported and report overpayments~~ as an asset titled "Purse Overpayments," immediately following current assets. If the permittee and ~~the accountant~~ auditing firm determine ~~that~~ all or part of any overpayment is not recoverable, the auditing firm shall disclose the dollar amount expensed and the basis of the determination ~~shall be disclosed~~ in the notes to the financial statements;
 - b. ~~Underpayments shall be reflected~~ Reflect underpayments as an account payable;
 - c. ~~Wagering income shall be reported~~ Report wagering income net of sales taxes; and
 - d. ~~Amounts which a~~ Not report as assets any amounts the permittee is seeking to recover through litigation ~~shall not be reported as assets~~;
4. ~~The firm shall submit~~ Submit the following information with the financial statements in a form prescribed by the ~~Department~~ Division:
 - a. An analysis of the composition of and changes in:
 - i. ~~accounts~~ Accounts payable, which include underpayments; and asset
 - ii. Asset accounts, which include overpayments;
 - b. A summary of current year purse expense and over- or underpayment;
 - c. The total amount of salaries and bonuses expense;
 - d. Legal and accounting expense attributable to racing-related matters;
 - e. An explanation of the types of revenues and expenses classified in accounts titled "other;"
and
 - f. Other financial information requested by the Commission or ~~Department~~ Division; and
 - g. An executive summary;
5. ~~Financial~~ Prepare the financial statements of ~~permittees granted original permits prior to July 1, 1982, shall be on a fiscal year basis. Financial statements of permittees granted original permits after July 1, 1982, may be on a fiscal or calendar year basis at the discretion of~~ as directed by the Director;

6. ~~The firm shall submit~~ Submit the financial statements within 120 calendar days of the end of the fiscal or calendar year specified under subsection (S)(5); and
 7. ~~The firm shall report~~ Report overpayments and underpayments to the ~~Department~~ Division in a form prescribed by the ~~Department~~ Division within 10 working days after the end of each condition book period.
- ~~S. Each permittee shall comply with the provisions of Article 2 of this Chapter.~~

R19-2-105. Charity Races

- A. A permittee shall provide the Commission with:
1. The name of any nonprofit organization or ~~corporation~~ business entity selected by the permittee as a charity entitled to benefit from a charity racing day or race;
 2. A list of the names and addresses of all directors, officers, and shareholders ~~holding~~ owning 10% percent or more of the total number of outstanding voting shares of the charitable ~~corporation~~ business entity;
 3. A brief description of the purposes and activities to be benefited by monies received from the charity racing day or race; and
 4. A copy of an Internal Revenue Service letter of determination qualifying the particular charity as an exempt organization or ~~corporation~~ business entity for federal income tax purposes.
- B. ~~No~~ A permittee shall not charge any expenses incurred by operation of racing against the pari-mutuel handle of a charity racing day or race except ~~those~~ the deductions allowable under A.R.S. Title 5, Chapter 1, which shall be prorated for only those expenses incurred on the day of ~~that~~ the particular charity racing day or race.

R19-2-106. Licensing

- A. A person that participates in any capacity in a race meet, including a person ~~who~~ that performs services in connection with the conduct of the race meet, shall obtain a license from the ~~Department~~ Division, except:
1. A person that performs services during a county fair meet and is identified by a steward as a volunteer; ~~or~~
 2. A person that owns less than 10 percent of outstanding shares of stock, regardless of classification or type, of a permittee or licensee; or
 3. A person that provides limited services not materially related to the conduct of the race meet and that, in the sole discretion of the Division, receives a vendor's credential.

B. License application.

1. To apply for a license, a person shall complete the license application prescribed by the ~~Department~~ Division, which requires the following information, ~~and submit the completed application to a steward:~~
 - a. Name, including all aliases or other names ever used;
 - b. Mailing, e-mail, and ~~local~~ physical street addresses;
 - c. Telephone number;
 - d. Date of birth;
 - e. Physical description;
 - f. Social Security or alien status number or other equivalent identification approved by the Division;
 - g. Documentation, as specified under A.R.S. § 41-1080(A), of lawful presence in the U.S.;
 - h. Complete criminal history information ~~including any racing-related sanctions; and~~
 - i. License category for which application is made; and
 - j. Other relevant information required by the Division.
2. The ~~Department~~ Division may issue written instructions regarding ~~preparation preparing, and execution executing, and submitting of~~ the license application. The instructions may be a part of or separate from the application, or both.
3. When an applicant submits a license application, the applicant shall also submit, in a manner instructed by the Division, the fee established by the ~~Department~~ Division under R19-2-202(C). The ~~Department~~ Division shall ensure ~~that~~ a schedule of license and fingerprint processing fees is displayed prominently at each track and on its ~~web site~~ website.
4. An applicant who is at least 18 years old shall submit two full sets of original fingerprints to the ~~Department~~ Division. The applicant shall ensure ~~that~~ the fingerprints are taken by the ~~Department~~ Division, a law enforcement agency, or other authority acceptable to the ~~Department~~ Division and in a format acceptable to the Arizona Department of Public Safety and the Federal Bureau of Investigation.
5. An applicant for a trainer license who has not been licensed as a trainer in any jurisdiction during the last 10 years shall demonstrate knowledge and skill in protecting and promoting the safety and welfare of animals participating in race meets by passing an examination, which may include written, oral, and skill demonstration parts, prescribed by the ~~Department~~ Division. An applicant who fails to pass any section of the examination shall wait at least ~~90~~ 60 days before retaking the failed section of the examination.

- C. The ~~Department~~ Division shall presume ~~that~~ an applicant or licensee knows the law governing racing in Arizona. An applicant or licensee shall follow A.R.S. Title 5, Chapter 1 and this Chapter.
- D. License procedure.
1. Temporary license.
 - ~~1.a.~~ Under delegation ~~from~~ of the ~~Director~~ Director's authority in A.R.S. § 5-108(F), ~~on receipt of a license application,~~ a steward shall may grant or deny a temporary license ~~and transmit the license application to the Director to an applicant.~~
 - ~~2.b.~~ In considering each application for a license, a steward may require the applicant, as well as individuals attesting to the applicant's abilities, to appear before the steward and show that the applicant is qualified to receive the license requested. The steward shall grant a temporary license only if the steward determines ~~that~~ the applicant meets all the requirements in A.R.S. Title 5, Chapter 1, and this Chapter.
 - c. Under A.R.S. § 5-108(F), all licenses are temporary for 90 days. Unless the Director denies a license to an applicant or makes issuance of a license subject to conditions, a temporary license automatically becomes the license after 90 days.
 - ~~3.2.~~ Licensing ~~time frames~~ time frames.
 - a. Administrative completeness review ~~time frame~~ time frame.
 - i. Within ~~85~~30 days after receiving a license application, the ~~Department~~ Division shall determine whether the license application contains the information required under subsection (B).
 - ii. If the license application is incomplete, the ~~Department~~ Division shall issue a written notice that specifies what information is required ~~and return the license application.~~ If the license application is complete, the ~~Department~~ Division shall provide a written notice of administrative completeness.
 - iii. The ~~Department~~ Division shall deem a license application withdrawn if the applicant fails to file a complete license application within 15 days ~~of~~ after the date on the notice that the license application is incomplete.
 - b. Substantive review ~~time frame~~ time frame. Within ~~five~~ 60 days after determining that a license application is administratively complete, the ~~Department~~ Division shall determine whether the applicant meets all substantive requirements and the Director, or designee, shall issue a written notice granting or denying a license.
 - c. Overall ~~time frame~~ time frame. For the purpose of A.R.S. § 41-1073, the ~~Department~~ Division establishes the following ~~time frames~~ time frames for issuing a license:
 - i. Administrative completeness review time-frame: ~~85~~ 30 days.

- ii. Substantive review time-frame: ~~five~~ 60 days.
 - iii. Overall time-frame: 90 days.
4. ~~Temporary license. All licenses are temporary for 90 days under A.R.S. § 5-108(F). Unless the Director denies a license to an applicant, a temporary license automatically becomes the license after 90 days.~~

~~5.3.~~ The ~~Department~~ Division shall perform a background investigation of an applicant who is at least 18 years old, including fingerprint processing through the Department of Public Safety and the FBI, and reviewing records of a national database containing license information and rulings, information systems, courts, law enforcement agencies, and the ~~Department~~ Division within the ~~time frame~~ time frame prescribed under subsection ~~(D)(3)(a)~~ (D)(2).

E. Denials.

1. The ~~Department~~ shall base a decision to deny a license on an assessment of whether Division may refuse to issue or renew a license and may take disciplinary action for a reason stated in A.R.S. § 5-108, or if the applicant:
 - a. Violated a racing law or regulation of another state;
 - b. Has a reputation or moral character that discredits the racing industry or is inconsistent with the best interest of the racing industry or the people of Arizona;
 - c. Had a racing-related license suspended, revoked, or denied in any jurisdiction;
 - d. Committed any action that would be grounds for discipline under A.R.S. Title 5, Chapter 1 or this Chapter;
 - ~~a.e.~~ Has been or is intoxicated at the time of application or has a history as a user of a narcotic drug, as defined at A.R.S. § 36-2501(A)(8), within the grounds of the permittee; or
 - ~~b.f.~~ Fails Makes a false statement to the Division on an application or other document including failing to disclose the true ownership or interest in any horse.
2. When a license is denied, the Director shall report the reason for the denial in writing to the applicant and a national database listing license information and rulings.

F. General requirements and restrictions.

1. A licensee who is employed in more than one license category or who changes from one category to another shall be licensed in each category.
2. A licensee who is an official at more than one type of track (~~horse, harness, or greyhound~~) shall be licensed at each type of track. The requirement in this subsection does not apply to a pari-mutuel manager who may use the same license at any type of track.
3. The ~~Director or designee~~ Division shall not license a person: ~~who~~

- a. Who is younger than 16 years old in any capacity; ~~other than as an owner, and shall not license a person who~~
 - b. Who is younger than 18 years old as an official, trainer, or assistant trainer; ~~or A person who~~
 - c. Who is younger than 18 years old ~~is not eligible to be licensed~~ as an owner unless the person's parent or guardian signs the owner's license application and assumes full financial responsibility for the owner.
4. When present in the barn area of a horse track, paddock area, or any other restricted area, a person shall have in the person's possession a digital racing license or wear in full view a photo identification badge ~~the license issued to the person by the Department Division~~ or a pass issued by the permittee.

G. Authorized agents agent.

- 1. ~~A person may hold a license only as an authorized agent or be licensed as an authorized agent and in another category.~~ To be the authorized agent of an owner, a person shall obtain an authorized agent license from the Division even if the person is licensed in another category. The person shall obtain a separate authorized agent license for every owner represented. If a person is ineligible for a license, the Division shall not license the person as an authorized agent.
- 2. The ~~principal owner~~ shall sign a license application on behalf of person wanting to be licensed as an authorized agent and clearly identify the powers of the agent, including whether the agent is empowered to collect money from the permittee. The ~~principal owner~~ shall have file a copy of the license application either notarized or signed in the presence of a Department employee and a copy filed with the horsemen's bookkeeper and the Department Division. If there is a separate power of attorney, the ~~principal owner~~ shall file a copy of the power of attorney instrument with the horseman's bookkeeper and the Department Division.
- 3. To change ~~an agent's~~ the powers or revoke ~~an agent's~~ the authority of an authorized agent, the ~~principal owner~~ shall describe the changed powers or revoked authority in writing that is either notarized or signed in the presence of a Department Division employee and filed with the Department Division and the horsemen's bookkeeper. If the owner is a minor, as defined at A.R.S. § 1-215, the owner's parent or legal guardian shall sign for the minor owner and indicate the relationship to the minor owner below the signature line.

R19-2-107. Stable Names

- A. A licensed owner ~~who~~ that wishes to race under a stable name shall register the stable name with the Department Division and pay the fee listed in ~~R19-2-106~~ R19-2-202.
- 1. Only ~~an~~ a licensed owner may register or secure a license under a stable name; and

2. A name other than the legal name of ~~an~~ the licensed owner is a stable name.
- B.** When registering a stable name, a licensed owner shall identify any individual or business entity operating under the stable name.
1. An individual operating under a stable name shall possess and ~~be able to~~ produce the individual's owner's license upon request by a racing official;
 2. An individual operating under a stable name shall ~~sign the~~ be designated the authorized ~~agent's application.~~ agent unless another authorized agent is licensed under R19-2-106; and
 3. A business entity operating under a stable name shall:
 - a. Register to do business according to the laws of ~~the state of~~ Arizona;
 - b. ~~Submit~~ Ensure every owner of more than 10 percent of a horse is licensed;
 - c. Submit to the Division a list that identifies ~~each stockholder who owns more than 10% of the existing shares, or each partner in a partnership~~ every owner regardless of percentage of ownership; and
 - ~~e.d.~~ Notify the ~~Department~~ Division immediately of any change in ownership; ~~and~~ .
 - d. ~~Use the name under which the business entity does business in Arizona as its stable name.~~
- C.** If consistent with other laws, a licensed owner may change a stable name by registering the new stable name and paying the applicable fee in ~~R19-2-106~~ R19-2-202.
- D.** To abandon a registered stable name, a the licensed owner shall provide written notice to the ~~Department~~ Division.
- E.** A licensed owner shall select a stable name that is distinguishable from other registered stable names.
- F.** ~~Upon registration~~ When a licensed owner seeks to register a stable name, the ~~Department~~ Division shall determine whether a prospective stable name ~~will be~~ may:
1. ~~Misleading~~ Be misleading to the public, ~~or~~
 2. ~~Unbecoming~~ Be unbecoming to the sport, ~~or~~
 3. Infringe on the rights of another stable.
- G.** ~~The Department shall not register a stable name that is misleading to the public or unbecoming to the sport.~~
- H.G.** A licensed owner shall register a separate name for each of the licensed owner's stables.
- I.H.** A licensed owner operating under a stable name shall pay all entry fees for and penalties against the stable.
- J.I.** At the time of entry, a licensed owner shall ensure ~~that~~ the applicable stable name is furnished for the official race program.

R19-2-108. Leases

- ~~A.~~ The lessee of a horse shall file a copy of the leasing ~~arrangement agreement~~ agreement with the ~~Department~~ Division. The leasing ~~arrangement agreement~~ agreement shall include:
1. The name of the horse;₂
 2. The name and address of the owner-lessor;₂
 3. The name and address of the lessee;₂
 4. The stable name, if any, of each party;₂
 5. The terms of the lease;₂
 6. The name and address of each person that has any financial interest in the horse; and
 7. Other information related to the lease that the Division may request.
- ~~B.~~ ~~No corporation having more than 10 stockholders who are the registered or beneficial owners of stock or membership in the corporation shall lease any horse owned or controlled by it to any person or partnership for racing purposes.~~
- ~~C.~~ ~~No owner's license shall be granted to a lessee of any corporation referred to in subsection (B) of these rules.~~
- ~~D.~~ ~~A corporation which leases horses for racing purposes in this state, its stockholders, and its members shall file with the Department, upon request, a report containing such information as the Department may specify.~~

R19-2-109. Jockeys and Apprentice Jockeys

- ~~A.~~ ~~In this Chapter, unless the context requires otherwise:~~ Physical and drug examinations.
1. ~~A~~ As a condition of licensing, a jockey shall pass a physical examination given within the previous 12 months by a physician designated by a permittee. A physical examination is valid for 12 months licensed health professional affirming fitness to perform as a jockey. A steward The stewards may require that a jockey ~~take~~ undergo an additional physical examination if the steward stewards reasonably ~~believes~~ believe a jockey's physical condition may endanger ~~himself~~ the jockey, his the mount, or others. Additional testing may be required before racing if a federal or state emergency has been declared. The ~~A steward~~ stewards may refuse to allow a jockey to ride until the jockey successfully passes ~~another~~ all required physical examination examinations. The jockey shall provide the results of all required physical examinations to the Division.
 2. ~~A steward or a steward's designee~~ The stewards may require that a jockey provide ~~blood or urine samples~~ a test sample for analysis upon request under A.R.S. § 5-104(C).

2. ~~Unless excused by the stewards, a jockey engaged to ride in a race shall report to the jockey room at least one hour before post time of the first race in which the jockey is scheduled to ride and, unless excused by the stewards, shall remain in the jockey room between races until all engagements for the day have been fulfilled.~~
3. A jockey shall wear standard jockey attire in official races.
4. ~~Only a jockey, an attendant, and a racing official are permitted in the jockey room.~~

B. Mount fees.

- 5.1. A jockey is entitled to a mount fee as established by agreement between the jockey and the owner or trainer when the jockey is weighed out by the clerk of scales except when:
 - a. The jockey refuses to ride a mount without proper cause as determined by the stewards; ~~and~~
 - b. ~~A steward replaces~~ The stewards replace the jockey with a substitute jockey, ~~unless if~~ the jockey is not being replaced because of an injury received after weighing out and before the start of a race; or
 - c. The replaced jockey or the jockey's agent waives the fee;
2. If no jockey is assigned to ride a horse in a race, determining who will ride an open horse is done either by a jockey or jockey's agent accepting an election ("name on" or "taking the call") or by the Racing Secretary or a steward drawing a jockey by lot from willing, available riders ("shake"). A jockey chosen by either method is entitled to a mount fee;
- 6.3. An owner or trainer shall be excused from paying a mount fee to a jockey chosen under subsection (B)(2) if the owner or trainer gives notice of a replacement jockey may replace a jockey named at the draw by lot or by a steward without payment of a mount fee by notifying a steward or the steward's designee by 9:00 a.m. MST Arizona time on the entry the next racing day following the draw shake replacement deadline.
- 7.4. An owner or trainer shall pay a mount fee the following amounts to a ~~replaced~~ jockey ~~that is equal to the fee paid to the jockey who rides the race unless~~ chosen under subsection (B)(2):
 - a. ~~The~~ If the owner or trainer fails to ~~replaces~~ replace the jockey by ~~notifying a steward or the steward's designee no later than 9:00 a.m. MST on the next business day after the jockey is replaced~~ the shake replacement deadline, a mount fee plus a winning commission equal to the winning commission paid to the riding jockey; or-
 - b. ~~If this notice is made~~ the owner or trainer replaces the jockey before the shake replacement deadline, the owner shall pay a losing mount fee to each the riding jockey the owner replaced in a race and any replaced jockey but the winning commission is paid only to the riding jockey.

5. The Director may establish an earlier, alternate, shake deadline for jockey changes in consultation with a the permittee, steward, jockey, owner, and trainer, or their representatives at the race meet. ~~The Director shall not establish a deadline for jockey changes later than noon of a race day at any race meet with an average daily handle of \$100,000.00 or less; or~~
 - b. ~~The replaced jockey or jockey's agent waives the fee.~~

B.C. Equipment.

1. All equipment is subject to inspection and approval by the stewards.
2. A jockey shall wear standard jockey attire in official races.
- ~~1.3.~~ A steward shall ensure ~~that~~ a bridle used in a race does not ~~exceed~~ weigh more than two pounds ~~in weight.~~
- ~~2.4.~~ If a jockey uses a whip riding crop in a race, the jockey shall ensure ~~that the whip is:~~
 - a. The riding crop is at least 1/4 inch in diameter and not more than ~~one pound~~ eight ounces in weight or 30 inches in length including the popper;
 - b. The shaft contact area of the riding crop is smooth and free of binding, protrusions, or raised surfaces;
 - c. The only attachment to the riding crop is a popper that extends no more than one inch beyond the end of the shaft and is between 0.8 and 1.6 inches in width; and
 - d. There are no reinforcements or additions beyond the shaft of the riding crop.
- ~~3.5.~~ When a jockey races without a whip riding crop, notice that the jockey is racing without a whip riding crop shall be made in the official race program or announced to the general public through effective, usual, and customary means intended and expected to reach the majority of the racing public.
- ~~4.6.~~ A jockey, apprentice jockey, exercise rider, pony person, and any other Any person mounted on any horse shall wear a properly fastened safety helmet and vest at all times, ~~when mounted on a racing surface~~ All safety helmets and vest types must be approved by the Division. A safety helmet or vest shall not be altered in any manner, including removal of brand or product identification.
5. ~~A jockey, apprentice jockey, and exercise rider shall wear an industry approved safety vest at all times when mounted on a racing surface.~~

C.D. Weight; weighing.

- ~~1. An owner shall deposit a losing mount fee with a permittee before a jockey is weighed out for a race. If an owner fails to comply with this subsection, a steward may declare the owner's horse out of the race.~~
2. ~~A jockey shall weigh out and weigh in for a race without a whip or bridle.~~

- ~~3.1.~~ A jockey's weight is measured against the jockey's assigned weight as published in the official race program. A jockey's weight shall include the jockey's clothing, boots, saddle and saddle attachments, and other equipment. The jockey's weight shall not include the bridle, bit, blinkers, goggles, number cloth, and safety equipment such as safety helmet and vest, over-girth, reins, and breast-collar.
2. With approval by the stewards and consent by the owner or trainer of the horse a jockey is to ride, the jockey may be allowed up to seven pounds more than the jockey's assigned weight as published in the official race program.
- ~~4.3.~~ A jockey shall ~~not ride in a race~~ be ineligible to ride in a race if the jockey is more than one pound underweight at the weigh ~~weighs out more than one pound less than~~ as compared to the jockey's assigned weight published in the official race program.
- ~~5.4.~~ A jockey shall report to the jockey's room unless excused by the stewards. A jockey engaged to ride in a race shall report to the jockey room at least one hour before post time of the first race in which the jockey is scheduled to ride and, unless excused by the stewards, shall remain in the jockey room between races until all engagements for the day have been fulfilled. A jockey shall report the jockey's engagements and any over weight to the clerk of scales one hour before the time set for the first scheduled race of the race day.
- a. ~~A jockey shall not ride in a race if more than two pounds overweight without the consent of the owner or trainer of the horse the jockey is to ride.~~
- b. ~~A jockey shall not ride in a race if more than seven pounds overweight without the consent of a steward.~~
- ~~e.5.~~ A steward shall not disqualify a horse because of any overweight the horse carries.
- ~~d.6.~~ A permittee shall notify the public of any weight different from that published in the official race program through effective, usual, and customary mechanisms intended and expected to reach the majority of the wagering public.
- ~~6.7.~~ Immediately after pulling up, a jockey shall ride to the ~~place of weighing~~ weigh-in location, dismount after obtaining permission from the official in charge, and wait to be weighed by the clerk of the scales.
- ~~7.8.~~ A jockey shall not intentionally touch any person or thing other than the jockey's own equipment before ~~weighing in~~ the weigh-in.
- a. A jockey shall unsaddle the jockey's own horse, unless the jockey obtains permission from ~~an official in charge~~ the stewards.
- b. An attendant shall touch a horse only by the horse's bridle unless the attendant obtains permission from ~~an official in charge~~ the stewards.

c. A person shall not touch the equipment of a jockey who has returned to the winner's circle to dismount until the jockey has been weighed in unless the person obtains permission from ~~an official in charge~~ the stewards.

~~8.9.~~ A jockey who is not able to ride to the ~~place of weighing in~~ weigh-in location because of an accident or illness that disables either the jockey or the horse, ~~shall~~ may walk, ~~or be assisted transported~~ to the scales, or be excused from the weigh-in by the stewards.

~~D.E.~~ Apprentice jockey.

~~1. Licenses.~~

~~a.1.~~ An applicant for an apprentice jockey license shall submit to the ~~Department~~ Division a certified copy of the applicant's birth certificate or other satisfactory evidence of date of birth.

~~b.2.~~ A steward shall issue ~~an~~ a temporary apprentice jockey license if ~~an~~ the applicant:

~~i.a.~~ Is more than 16 years old; ~~and, if less than age 18 years old, a~~

~~b.~~ A parent or guardian signs ~~has signed~~ the license application assuming full financial responsibility for the applicant if the applicant is fewer than 18 years old;

~~ii.c.~~ Is approved by ~~a~~ the starter for working a horse out of the gate;

~~iii.d.~~ Successfully demonstrates to ~~a steward~~ the stewards the ability to gallop or exercise a horse; and

~~iv.e.~~ Has the necessary tack and apparel.

~~2. Expiration of license; weight allowance.~~

~~a.3.~~ An apprentice jockey license expires when the apprentice jockey can no longer claim the weight ~~allowances~~ allowance under subsection ~~(D)(2)(b)~~ (E)(4). When an apprentice jockey license expires, the apprentice jockey shall surrender the license to the ~~Department~~ Division. If an apprentice jockey license expires during the term of the current licensing cycle, the ~~Department~~ Division shall issue a jockey license at no additional cost.

~~b.4.~~ An apprentice jockey who has not been licensed previously in any country may ride with a five pound ~~claim a weight allowance as follows in all overnight races except handicaps and stakes~~ starting from the date of the fifth winning mount for a period of one year in all overnight races except handicaps:

~~i.a.~~ Five pounds for one year from the date of the apprentice jockey's fifth winner; or If after riding one year from the date of the fifth winning mount, the apprentice jockey has failed to ride a total of forty winners from the date of the first winning mount, the apprentice jockey may continue to ride with a five pound weight allowance for one more year from the date of the fifth winning mount or until the apprentice jockey has ridden forty winners, whichever comes first.

- ii. ~~If the apprentice jockey has not ridden at least 40 winners within one year from the date of the apprentice jockey's fifth winner, five pounds for three years from the date of the apprentice jockey's first winner or until the apprentice jockey has ridden a total of 40 winners, whichever comes first.~~
- e.b. The calculation of the time for which an apprentice jockey may claim a weight allowance shall not include time:
- i. ~~In~~ in the armed forces, or
 - ii. ~~The~~ when the apprentice jockey is physically incapacitated from performing as a jockey.
- d.c. ~~An~~ The apprentice jockey may ride jockey's weight allowance shall not apply to quarter horses under the following conditions: horse races.
- i. ~~The apprentice jockey does not claim an apprentice jockey weight allowance in the race; and~~
 - ii. ~~The Department~~ Division does shall not consider a ~~winner win~~ in the a quarter horse race for the purpose of when computing the expiration of the right of the apprentice jockey to claim a weight allowance.

E.F. Prohibited acts.

1. A jockey shall not fail or refuse to fulfill an engagement for a race unless:
 - a. The race or race card is canceled, or
 - b. A steward excuses the jockey.
2. A jockey shall not own, either in whole or in part, a horse registered for racing at a track where the jockey is riding.
3. A jockey shall not engage in any pari-mutuel wagering transaction except through the owner of and on the horse that the jockey rides.
4. A jockey attendant, jockey valet, or any licensee employed inside a jockey room shall not place a wager for themselves or another person while they are acting under the authority of their license.
5. A jockey shall not ride against a horse trained by the jockey's spouse ~~except as part of an entry.~~
6. A jockey shall not ~~whip~~ use a riding crop a horse:
 - a. On the head, flanks, or any part of the horse's body other than the shoulders or hind quarters;
 - b. During the post parade except when necessary to control the horse;
 - c. Excessively or brutally causing welts or breaks in the skin;
 - d. When the horse clearly is out of the race or has obtained its maximum placing; ~~or~~
 - e. Excessively or indiscriminately at any time, which is presumed when the jockey uses the riding crop more than three times in succession without giving the horse two strides before using the riding crop again; or

e.f. Persistently even though the horse is showing no response to the ~~whip~~ riding crop.

7. A jockey shall not strike another jockey or another jockey's horse with a riding crop for any reason at any time.

R19-2-110. Jockey Agents

A. When applying for a jockey agent license, an applicant shall be accompanied by a jockey ~~that~~ the applicant will represent as jockey agent.

B. A person who has not previously been licensed as a jockey agent in any jurisdiction shall demonstrate the knowledge to be licensed as a jockey agent by passing an examination prescribed by the ~~Department~~ Division. An applicant who fails to pass the examination shall wait ~~60~~30 days before retaking the examination.

C. A jockey agent shall not contract riding engagements for more than three jockeys at the same time.

D. The ~~Department~~ Division shall charge only one fee for a jockey agent's license no matter how many jockeys the jockey agent represents.

E. A jockey agent shall ~~not change a rider unless the stewards grant permission~~ notify the stewards, in writing, before withdrawing from representation of a jockey and shall submit to the stewards a list of any unfulfilled engagements made for the jockey.

F. A jockey agent shall not work in any other capacity at the track where the jockey agent is licensed without permission of the stewards and without being licensed in the other capacity.

~~G. A jockey agent may enter a horse in a race if the jockey agent has the permission of the horse's trainer.~~

~~H.G.~~ Riding engagements shall be made only by a jockey or the ~~jockey's~~ jockey agent.

~~I.H.~~ A During racing hours, a jockey agent shall not communicate with a jockey the jockey agent represents does not represent during racing hours. A jockey agent and shall notify a jockey the jockey agent represents of riding engagements made during racing hours through communicate with the jockey agent's represented jockey only through the stewards or a designated official.

~~J.I.~~ A jockey may act as the jockey's own agent. ~~If a jockey chooses to act as the jockey's own agent, the jockey shall:~~ if the jockey

1. Notify ~~notifies~~ the stewards of that intention, and is

2. Comply with provisions of this Chapter governing jockey agents,

3. Not obtain a jockey agent's license, and

4. Be present at the time when entries are drawn unless ~~other arrangements have~~ another arrangement is ~~been~~ made with the stewards.

~~K.~~ When a jockey or the jockey's jockey agent wishes to terminate the agent agreement, the jockey and jockey agent shall appear together before the stewards to advise the stewards that the agent agreement has been terminated.

~~L.J.~~ A jockey agent or jockey acting as the jockey's own agent shall honor a call given commitment to an owner or trainer for a mount in a race. If the ~~Department~~ Division determines that a jockey agent or jockey violated this subsection, the ~~Department~~ Division shall fine the jockey agent or jockey, suspend the license of the jockey agent or jockey, or both.

R19-2-111. Trainers

~~A.~~ A trainer shall know and follow the provisions of A.R.S. Title 5, Chapter 1 and this Chapter governing racing in the state of Arizona.

~~B.A.~~ A trainer and the trainer's employees shall comply with the decisions of the stewards on all questions to which the stewards' authority extends, subject to the right of appeal to the ~~Department~~ Division under R19-2-123.

~~C.B.~~ A trainer is solely responsible for the condition of horses under the trainer's care and shall protect the horses from acts of other parties.

~~D.C.~~ A trainer shall:

1. ~~ensure that~~ Ensure each person employed by the trainer at a ~~licensed~~ track operated by a licensed permittee and under the jurisdiction of the Division is licensed by the ~~Department~~ Division; and
2. Ensure the owner of each horse ~~that is~~ to be entered by the trainer in a race is licensed by the ~~Department~~ Division ~~at least one hour before the scheduled post time of the race in which the horse is entered.~~ before the time of entry of the horse in the race; and
- ~~1.3.~~ A trainer shall refuse Refuse to act on behalf of any participant, in any way, at a ~~licensed~~ track operated by a licensed permittee and under the jurisdiction of the Division if the trainer has reasonable cause to believe ~~that the participant is not licensed~~ does not possess an active license in good standing issued by the ~~Department~~ Division.
2. A trainer shall not start a horse in a race if the trainer has reason to believe that an owner of the horse is not licensed by the Department. A trainer may enter a horse for an unlicensed owner in a race. If there are no horses on the also-eligible list for the race and the owner of the horse entered by the trainer is not licensed at least one hour before post time of the first race of the day, the trainer shall have the horse scratched. If there are horses on the also-eligible list, a trainer who entered a horse of an owner who remains unlicensed at the designated scratch time for the race shall have the horse scratched.

3. ~~A trainer shall report to the stewards the existence of the circumstances described in subsections (D)(1) and (2).~~
- 4.~~D.~~ A trainer or the trainer's licensed designee shall present the trainer's horse in the paddock at least 17 minutes before post time or at another time specified by the stewards before the race in which the horse is entered.
- E. A trainer shall file all registration papers with the ~~racine secretary~~ Racing Secretary within 48 hours of the trainer's arrival on the grounds of the permittee.
- F. If track colors are not in use, a trainer shall ensure ~~that~~ each of the trainer's horses has a set of colors registered in the office of the ~~racine secretary~~ Racing Secretary and possessed by the jockey room custodian before the horses are entered in a race.
- G. A trainer shall pick up all registration papers and colors at the close of the race meet.
- H. A trainer shall notify the stewards before ~~the transfer of~~ transferring a horse to or from another trainer during a race meet. The trainer shall not make a transfer until the transfer is approved by the stewards.
- I. A trainer shall not shoe a horse that is ~~not~~ under ~~the~~ another trainer's care except ~~by~~ with permission of the stewards.
- J. When a trainer is absent for more than 10 days from the grounds where the trainer's horse is racing, the trainer shall provide a substitute licensed trainer to be responsible for the horse. ~~If there is a violation of subsection (C) or R19-2-120(O)(1), the stewards shall take appropriate action against the responsible party. No provision of this Chapter relieves~~ Assignment to a substitute licensed trainer does not relieve or limit an absent trainer of responsibility ~~or limits the absent trainer's responsibility under subsection (C).~~ Both the absent and substitute trainers shall sign a "Trainers' Responsibility Form" provided by the ~~Department~~ Division acknowledging that the absent and substitute trainers are jointly responsible under subsection (B), which shall be submitted and submit the form to and approved by a steward for approval.
- K. A trainer ~~shall not have~~ who has an ownership interest in a horse ~~unless the trainer trains~~ shall train the horse ~~and if~~ the horse is located at the track ~~where~~ at which the trainer trains. ~~For purposes of this subsection, a reversionary interest created by an agreement transferring control of a horse is not an ownership interest.~~
- L. A trainer may employ an assistant trainer with the approval of the stewards. An assistant trainer shall be responsible for all trainer obligations and comply with all requirements for a trainer prescribed by this Section.
- M. ~~A trainer shall not train a horse for the benefit, credit, reputation, or satisfaction of an inactive person at a location under the jurisdiction of the Department.~~
1. A trainer shall not:

- a. ~~Assume the responsibilities of an inactive person at a location under the jurisdiction of the Department,~~
 - b. ~~Complete a race entry form for or on behalf of an inactive person or an owner for whom the inactive person works,~~
 - e. ~~Pay or advance an entry fee for or on behalf of an inactive person or an owner for whom the inactive person works, or~~
 - d. ~~Pay or provide consideration in any form to an inactive person or a person associated with the inactive person; and~~
2. ~~If a trainer fails to comply fully with this subsection, the trainer shall not:~~
- a. ~~Be paid a salary directly or indirectly by or on behalf of the inactive person, and~~
 - b. ~~Receive consideration in any form however denominated.~~

M. A licensed trainer shall not avoid or attempt to avoid the requirements of this Chapter by placing a horse in the care or attendance of another person, including a program or paper trainer.

R19-2-112. Prohibited Acts

In addition to other prohibitions described in A.R.S. Title 5, Chapter 1 and this Chapter:

1. A licensee shall not enter, or cause or ~~permit~~ allow to be entered, or start a horse that the licensee knows or has reason to believe should be disqualified or may be ineligible to race.
2. A veterinarian or plater, licensed to practice on a track under the jurisdiction of the ~~Department~~ Division, shall not, in any capacity, own, lease, exercise, or train a horse racing at the track on which the veterinarian or plater practices.
3. A licensee shall not enter a stall, shed row, tack room, or feed shed assigned to another licensee without ~~prior~~ approval from the licensee to whom the area is assigned. The ~~Department~~ Division shall discipline a licensee determined to have violated this subsection, including voiding the transfer of a horse to which the licensee has made a successful claim.
4. A licensee shall not subject or ~~permit~~ allow an animal under the licensee's control, custody, or supervision to be subjected to any form of cruelty, mistreatment, neglect, or abuse and shall not abandon, injure, maim, kill, administer a noxious substance to, or deprive the animal of necessary care, sustenance, or shelter. A licensee may authorize humane euthanasia of a severely injured or ill animal.
5. A licensee shall not participate in an unauthorized race ~~on a track while a race meet is in progress on the track.~~
6. A licensee shall not offer or receive money or other consideration for ~~declaring~~ removing an entry ~~out of~~ from a purse or stakes race.

7. A licensee shall not possess, at any time, within the grounds of a permittee, an electrical, mechanical, or other device (buzzer or machine) regardless of whether the device is operational, except a whip an authorized riding crop, which may be used to affect the speed or racing condition of a horse. A device that is incapable of affecting the outcome of a race is excluded from this provision. Possession includes, but is not limited to, having the device:
 - a. On the licensee's person;
 - b. In living or sleeping quarters;
 - c. In an assigned stall, tack room, or other area; and
 - d. In a motor vehicle or trailer.
8. A person holding a license listed in A.R.S. § 5-104(C) shall not apply, inject, inhale, ingest, be under the influence of, possess, or use a narcotic; or dangerous drug, or controlled or prohibited substance regulated under A.R.S. Title 13, Chapter 34 while on permittee grounds unless, on the request of a steward, the licensee can produce evidence ~~that~~ the licensee has a lawfully issued prescription for possession or use of the narcotic; or dangerous drug, or controlled or prohibited substance and is using the narcotic or dangerous drug, or controlled or prohibited substance as prescribed.
9. A jockey, apprentice jockey, exercise rider, or pony rider shall not consume any quantity of an alcoholic beverage on a race day before completing riding commitments for the day.
10. A licensee or employee of a permittee shall not accept, either directly or indirectly, a bribe, gift, or gratuity in any form that is intended to or might influence the results of a race or ~~the~~ conduct of a race meet or interfere with the operation of the Division or Commission.
11. A licensee, while on the ~~premises~~ grounds of a permittee, shall not create a disturbance, be intoxicated, interfere with a racing operation, or act in an abusive or threatening manner to a racing official or other person.
12. A licensee shall not engage in conduct that is prohibited by the ~~Department~~ Division or detrimental to the best interests of horse racing including, but not limit to, soliciting, aiding, or abetting another person to participate in conduct prohibited by the ~~Department~~ Division or detrimental to the best interests of horse racing.
13. A licensee shall immediately ~~submit to blood, urine, breath, or other tests~~ provide a test sample when ordered by the stewards a steward or Division investigator, if the stewards have the steward or Division investigator has reason to believe the licensee is under the influence of a substance prohibited under subsection (8) or in possession of a prohibited substance or has consumed alcohol in violation of subsection ~~(8), (10) or (11)~~ (9).If the licensee refuses to provide the

requested test sample, the licensee shall be subject to disciplinary action authorized under A.R.S. § 5-108.05.

- a. A licensee ordered by a steward or Division investigator to ~~submit to~~ provide a test sample under this subsection shall provide a the test sample in the presence of the steward or ~~the steward's designee~~ Division investigator and submit the test sample to the steward or ~~the steward's designee~~ Division investigator in a container furnished by the ~~Department~~ Division;
 - b. The steward or ~~steward's designee~~ Division investigator shall immediately seal the test-sample container in the presence of the licensee being tested;
 - c. The steward or ~~steward's designee~~ Division investigator shall mark the test-sample container with the following items: test-sample identification number; time, date, and location at which the test sample was given; and signature of ~~Department~~ Division personnel sealing the container;
 - d. The steward or ~~steward's designee~~ Division investigator shall submit the test sample to the official laboratory for analysis;
 - e. If analysis of the test sample provided under this subsection indicates the presence of a prohibited substance or alcohol, the licensee who provided the test sample shall be subject to disciplinary action authorized under A.R.S. § 5-108.05(A);
 - f. The ~~Department~~ Division shall ensure ~~that~~ results and information obtained as a result of analysis of the test sample ~~provided under this subsection~~ are accessible only to members of the Commission, the Director or ~~designees~~, and the tested licensee until any disciplinary action or administrative proceeding is complete; and
 - g. Compliance ~~with this subsection~~ by the steward or ~~steward's designee~~ Division investigator with the provisions of subsection (13) constitutes prima facie evidence that the chain of custody of the test sample is secure. The presiding officer or administrative law judge in an administrative proceeding of the ~~Department~~ Division or Commission shall admit the results of the tests as evidence.
14. A licensee shall promptly pay any financial obligation incurred in connection with racing in this state. If failure or refusal to pay a financial obligation incurred in connection with racing in this state results in the financial obligation being reduced to a judgment against a licensee, the ~~Department~~ Division shall take disciplinary action against the licensee as authorized under A.R.S. § 5-108.05.
15. A licensee shall not use nicotine, in any form, in the enclosed paddock area during racing hours.

R19-2-113. Entries, Starts, Fees, Closing, and Subscriptions Declarations

A. Entry.

1. An owner, trainer, or authorized agent shall not ~~register~~ enter a horse for racing under this Chapter unless the horse is registered by ~~the Jockey Club, American Quarter Horse Association, Arabian Horse Club Registry of America, Inc., Appaloosa Horse Club Inc., American Paint Horse Association, American Donkey and Mule Society, or American Mule Association~~ a recognized, authorized registry applicable to the breed of equine being entered.
2. An owner, trainer, or authorized agent shall list each person with an ownership interest in a horse on the back of the horse's registration papers.
3. ~~An~~ Only an owner, trainer, or authorized agent may enter a horse into a race and may do so in person, by telephone ~~or telegram, or in writing~~ electronically.
4. An owner, trainer, or authorized agent shall declare at the time of entry whether the jockey will carry a ~~whip~~ riding crop.
5. A person shall not enter a horse in a race unless the horse is eligible in all aspects at the time of entry, except with permission of the stewards.
6. ~~The stewards shall assume a horse entered for a purse is a starting horse~~ Every horse entered is deemed a starter unless the stewards declare ~~the horse out of the race~~ otherwise.
7. A person nominating a horse in a stakes race shall write the person's full name, mailing ~~address~~ and e-mail addresses, and telephone number on the nomination form.
8. ~~A person shall not enter a~~ A horse may not race in more than one race ~~in~~ on one day, ~~and may not be entered in more than one race for the same race day unless both entries are for stakes races.~~
9. An owner shall not transfer a horse to a new trainer after entry.
10. ~~An owner shall not enter a~~ A horse may not be entered into a race unless the horse's performance records ~~for the preceding calendar year:~~ are available by daily racing form, Equibase, or other recognized industry publication.
 - a. ~~Are printed in the Daily Racing Form Monthly Chart Book, or~~
 - b. ~~The owner provides the horse's performance records to the racing secretary before entry.~~
11. ~~An~~ A horse's performance record shall be signed and certified by the owner, trainer, or authorized agent ~~shall sign and certify a horse's performance record~~ and shall provide the following information ~~for the horse's last four races to ensure that all of the horse's races are in the record:~~
 - a. Where and when the horse raced;
 - b. The distance, weight carried, and amount earned; and
 - c. The finishing position and time of the race.

12. If a race overfills, the ~~rac~~ing secretary Racing Secretary shall ensure ~~that~~ the second half of an entry has no starting preference over a single entry except in stakes, handicap, and qualifying races.
13. An owner ~~entering that enters~~ two or more horses in a race shall indicate the owner's preference for the horse ~~that is~~ to start if the race overfills. The owner shall make the claim of preference by noting the preference on the entry blank. An owner who fails to make a claim of preference loses the preference.
14. The ~~rac~~ing secretary Racing Secretary shall ensure that a horse excluded because a race overfills receives no ~~consideration~~ preference for eligibility in another race.
15. Two or more horses entered in a race as a coupled entry may be uncoupled for wagering purposes only if approved by the stewards, ~~and:~~
 - a. ~~All horses are owned, in whole or in part, by the same person; or~~
 - b. ~~All horses are trained by a trainer who owns an interest in one of the horses.~~
16. In a race in which spouses who are both licensed trainers have entered ~~horses~~ a horse, the married trainers are not required to list an overfill preference unless there is common ownership of the horses entered.
17. The ~~rac~~ing secretary Racing Secretary shall decide whether to use an also-eligible list for any race meet:
 - a. ~~The racing secretary shall determine the number of also-eligibles if~~ If the number of entries in a race exceeds the capacity of the starting gate, the Racing Secretary shall determine the number of entries to place on the also-eligible list;
 - b. If the number of entries in a race exceeds the number of horses permitted to start, the ~~rac~~ing secretary Racing Secretary shall determine the starters in a drawing supervised by a steward ~~and witnessed by those making entries. The drawing may be witnessed by licensees.~~ If any of the starters declare out, the ~~rac~~ing secretary Racing Secretary shall draw from the also-eligible list the number of horses needed to fill the vacancies in the race;
 - c. The ~~rac~~ing secretary Racing Secretary shall assign horses, other than quarter horses, that gain a position in a race from the also-eligible list, to the outside post positions in the order in which they are drawn from the list. The ~~rac~~ing secretary Racing Secretary shall assign a quarter horse to the stall of a horse that is declared out;
 - d. If a horse on the also-eligible list does not start because of insufficient declarations, the ~~rac~~ing secretary Racing Secretary shall place the horse on the preferred list unless the owner has declined to accept an opportunity to start the horse;

- e. If a race in which a horse is entered overfills, the ~~rac~~ing secretary Racing Secretary shall not consider an in-today horse for the race unless the conditions for the race read “Arizona ~~Breds~~ Bred Preferred,” or the race is a stakes or handicap race.
 - f. The ~~rac~~ing secretary Racing Secretary shall not consider a horse on the also-eligible list as an in-today horse until it has been given a position in a race or an opportunity to run.
 - g. At ~~tracks~~ a track where entries are taken two or more days before the date of a race, an owner, trainer, or authorized agent may enter a horse for the next race date if the horse has been placed on the also-eligible list for the first race date. If the horse is drawn into a race from its position on the also-eligible list, the ~~rac~~ing secretary Racing Secretary shall declare the horse an in-today horse and withdraw the horse from the race on the next race day in favor of a horse on the also-eligible list for that race.
18. After a horse is entered in a race, a person shall not withdraw the horse ~~only with~~ without permission ~~of the stewards~~ from a steward.
 19. The ~~rac~~ing secretary Racing Secretary shall post a copy of the preferred list each afternoon. The stewards shall recognize a claim of error in the preferred list only if the claim of error is made by 10:00 a.m. of the day after the preferred list is posted.
 20. If an owner, trainer, or authorized agent does not declare a horse from the also-eligible list by the prescribed time, the ~~rac~~ing secretary Racing Secretary shall consider the owner or trainer willing to start the horse if another horse is scratched from the race. The ~~rac~~ing secretary Racing Secretary shall not place a horse on the preferred list if the owner or trainer does not accept the opportunity to start the horse.
 21. ~~A person shall not alter an entry after the closing of entries. The rac~~ing secretary After entries are closed, an owner, trainer, or authorized agent shall not alter the entry form unless the Racing Secretary may correct an error in an entry at any time authorizes correction of an error.
 22. If the name of a horse is changed, the ~~rac~~ing secretary Racing Secretary shall publish the new name and the former name in the official entries for the horse’s first three starts after the name change. If the name of an Arizona-bred horse is changed, the ~~rac~~ing secretary Racing Secretary shall ~~report~~ submit a written record of the name change to the ~~Department in writing within 30 days, listing both the new and former names~~ Division, retain the record for one year, and provide the record to the Division upon request.

B. Conditions for entry.

1. A person shall not enter a horse in a race unless the horse’s certificate of foal registration, certificate of foreign registration, or racing permit issued by the breed registry is on file in the office of the ~~rac~~ing secretary Racing Secretary ~~or permission is granted by the stewards~~. Foal

~~certificates~~ A foal certificate that ~~are~~ is registered with the ~~racine secretary~~ Racing Secretary and ~~are~~ in transit between the office of the ~~racine secretary~~ Racing Secretary and the American Quarter Horse Association because of a transfer of ownership ~~are~~ is considered to be in the possession of the ~~racine secretary~~ Racing Secretary.

2. A horse that has reached ~~its 14th birthday~~ the age of 13 is ineligible to race in Arizona.
3. The stewards shall not permit a horse to run in a purse or stakes race unless the horse is entered in and eligible for the race.
4. The stewards may require a person in whose name a horse is entered to produce proof ~~that~~ the horse entered is not the property, either in whole or in part, of a person who is disqualified, or to produce proof of the extent of the person's interest in the horse. If the person fails to produce satisfactory proof, the stewards shall declare the horse out of the race ~~if the stewards determine that declaring the horse is necessary to protect the public peace, safety, or welfare.~~
5. A person shall not enter a horse if the horse is on the stewards' list, ~~paddock judge's, starter's, or veterinarian's list~~ Veterinarian's List, starter's schooling list, or paddock judge's list or if the horse has been ruled off.
6. The Racing Secretary, including county fair Racing Secretaries, shall place a horse's win on the back of the horse's foal certificate. The Racing Secretary shall ensure the foal certificates for all thoroughbred horses entered to race that were foaled in or after 2018, have a digital tattoo that indicates the Thoroughbred Racing Protective Bureau has confirmed the identity of the horse and uploaded updated digital photographs to the breed registry database.
- ~~6.7.~~ The Racing Secretary shall consider the performance record of a horse racing on the county fair circuit to determine the horse's eligibility at a commercial meet. A county fair racing secretary shall place a county fair win on the back of the horse's foal certificate.
- ~~7.8.~~ The owner, trainer, or authorized agent shall ensure that a horse that has not started during the 45 days before a commercial meet has one official workout before starting at the commercial meet.
8. ~~The racing secretary shall not allow a first-time starter to race until the horse has gate approval and at least two timed workouts, one of which is out of the gate and within 30 days before the race in which the horse is entered.~~
9. ~~The racing secretary Racing Secretary shall not allow a horse, other than a first-time starter, that has not started for one year or more to race unless until the horse has gate approval and at least two timed workouts, one of which is out of the gate, within 30 days before the race in which the horse is entered;.~~
 - a. ~~Completes at least two timed workouts within 60 days before the race in which the horse is entered; and~~

~~b. One of the timed workouts is performed in the presence of the track veterinarian at a distance determined by the track veterinarian.~~

10. The Racing Secretary shall not allow a horse that has not started for at least one year to race unless the horse completes two timed workouts, at least one of which is performed in the presence of and at a distance determined by an official veterinarian, within 60 days before the race in which the horse is entered and the horse is examined by the official veterinarian and found fit to race.

~~10.11.~~ The Racing Secretary shall not allow a quarter horse to be entered for the first time in a race around a turn unless the horse has at least one timed workout around the turn.

~~11.12.~~ The ~~Department~~ Division shall waive workout requirements for a county fair meet not run at a commercial track, except the owner or trainer of a horse that has not started for one year or more shall complete a workout schedule with and determined by the ~~state~~ Division veterinarian before entry in the country fair meet.

C. Starts.

1. A person shall not start a horse in a race unless the horse is fully identified and tattooed, or otherwise authorized by the stewards. ~~The Department~~ Division shall hold a person, including the breeder, owner, trainer, authorized agent, and identifier, responsible for the accuracy of information the person provides regarding the identity of a horse.

2. An owner, trainer, or authorized agent shall not start a horse in a race until all stakes, forfeits, entry fees, and arrears due on the horse ~~have been~~ are paid.

3. A horse is ineligible to start in a race until all jockey mount fees are on deposit with the horsemen's bookkeeper.

~~3.4.~~ An owner, trainer, or authorized agent shall not start a horse in ~~be~~ paid any winnings from a race unless all persons having an ownership interest in the horse or an interest in the winnings of the horse have registered with the ~~racing secretary~~ Racing Secretary.

~~4.5.~~ The ~~racing secretary~~ Racing Secretary shall display the post-position numbers of the horses in a race after overnight entries are closed and post positions are drawn. If a horse with an assigned post-position number does not start or run the ~~track~~ race, the ~~stewards~~ owner, trainer, or jockey may ~~require an explanation from the owner, trainer, or jockey~~ be subject to discipline by the stewards.

D. Fees.

1. ~~Entrance to a purse race is free unless otherwise stipulated in the conditions of the race.~~ If the conditions of a race require an entrance fee, the fee is due at the time of entry.

2. The licensee entering a horse in a stakes race shall may be required to pay the nominating a subscription, sustaining, and starting fees fee at the time established by the conditions of the race.
3. Except as provided in subsection (D)(4) or in the conditions of the race, the permittee shall not refund any fees paid to enter a horse in a race even if the horse dies, is withdrawn, or there is a mistake in the horse's entry if the horse was eligible at the time of entry.
3. ~~If the conditions of a purse race require that an entrance fee be paid, the permittee shall not refund the entrance fee if the purse race is run even if a horse fails to start or dies except as provided in the conditions of the race.~~
4. The permittee shall distribute ~~the entrance money, starting, and subscription~~ all fees as provided in the conditions of the race. If a race is not run, the permittee shall refund all stakes or entrance ~~money fees.~~
5. The death of a nominator ~~or subscriber~~ does not void an entry, subscription, or right of entry.
6. A licensee shall not transfer a horse to an owner or trainer to avoid disqualification. ~~As provided in A.R.S. § 5-108.05, the Department~~ The Division may fine or suspend the licensee making or receiving a transfer to avoid disqualification.

E. Closing.

1. ~~The racing secretary~~ Racing Secretary shall ~~close entries for a purse race at the time advertised in the condition book specifying the terms of the race and shall not accept an entry after that time~~ not accept any entry in a race after 12:00 p.m. or as designated by the conditions of the race. If a race fails to fill according to the requirements of the permittee, additional time for entries may be granted by the stewards.
2. ~~Unless contrary notice is provided by the permittee, nominations for stakes that close during or on the eve of a race meet close at the office of the racing secretary at the published time.~~
3. ~~The racing secretary shall not accept entries or declarations for stakes after the designated closing time.~~
- 4.2. ~~The racing secretary~~ Racing Secretary shall not accept an entry after a race has been drawn even if the number of horses on the also-eligible list is insufficient to provide a full field.
- 5.3. ~~The racing secretary~~ Racing Secretary shall consider a horse ~~to be a scratch~~ scratched if the horse is withdrawn from a race after the overnight entries are closed. The scratched horse loses all of the horse's accrued preferences up to the date of the scratch unless the horse is excused by the stewards.
4. The Racing Secretary is subject to discipline if a written complaint alleging favoritism is filed and substantiated during a hearing.

F. Declarations.

1. An owner, trainer, or authorized agent shall ~~declare~~ provide to the stewards a written declaration of a horse from in a stakes, handicap, or qualifying race ~~in writing~~ no later than one hour before post time ~~of~~ for the race.
2. The ~~racing secretary~~ Racing Secretary shall not give preference to a horse that is declared from the also-eligible list of a race. The horse may retain the position previously held on the preferred list if a full field is left in the race at scratch time.

R19-2-114. Penalties and Allowances

A. To level the varying proficiencies of each horse to run against other horses in a race on somewhat equal terms, a horse may receive a weight allowance or penalty based on the horse's performance.

A.B. ~~After consideration of~~ considering the reports, records, and statistics published by ~~the Daily Racing Form and other racing statistical~~ daily racing form, Equibase, or other recognized industry publications, the stewards Racing Secretary shall determine, and the stewards shall enforce, eligibility, penalties, and allowances. The owner and trainer of a horse shall ensure ~~that~~ the horse is eligible and carries the correct weight.

B.C. Penalties and allowances are not cumulative unless the ~~racing secretary~~ Racing Secretary declares penalties and allowances to be cumulative by the conditions of the race. Penalties and allowances take effect at the time a race starts except that in an overnight event, a horse shall have only the allowance to which it was entitled at the time of entry. In the case of a two-part allowance, a horse not entitled to the first weight allowance in a race shall not be entitled to any subsequent allowance specified in the race conditions.

C.D. Penalties are obligatory. Allowances are optional in whole or in part. In an overnight event, ~~if an allowance is claimed,~~ a horse's owner or trainer shall claim the any allowance at the time of entry and the allowance may not be waived after posting of entries, except by consent of the stewards. A horse that incurs a weight penalty for a race shall not be entitled to a weight allowance for the race.

D.E. ~~The stewards shall not disqualify a horse if the failure of the horse's owner or trainer to claim a weight allowance results from an omission made by the racing secretary on the overnight listing of races.~~ If an owner or trainer fails to claim a weight allowance that results in an incorrect listing on the overnight race-card listing, the owner or trainer is not entitled to use the weight allowance or have the horse disqualified. If an owner or trainer claims a weight allowance to which a horse is not entitled, the stewards shall disqualify the horse only if the incorrect weight is carried in the race. The ~~Department~~ Division shall subject discipline a person ~~who~~ that claims a weight allowance to which the person's horse is not entitled ~~to discipline authorized under A.R.S. § 5-108.05.~~

~~E.F.~~ The stewards shall ensure that a horse does not receive a weight allowance or is not relieved from a weight penalty as a result of having lost one or more races. This Section does not prohibit a maiden allowance or an allowance to a horse that has not won a race within a specified period or a race of a specified value. A horse shall not receive a weight allowance or be relieved of extra weight because the horse has been beaten in one or more races. This subsection does not prohibit a maiden allowance or an allowance to a horse that has not won a race within a specified period or for a specified value.

~~F.G.~~ The stewards shall ensure that a horse:

1. Does not incur a ~~weight~~ penalty for placing in a race ~~from which the horse is~~ if the horse was disqualified in the race;
2. Incurs a ~~weight~~ penalty if the horse places in a race as a result of ~~the~~ a disqualification of another horse; and
3. Is not disqualified for failing to take a ~~weight~~ penalty in a race if the penalty ~~results from the horse is~~ determined as a result of the horse placing in a previous race but the penalty is not determined until after the running of the race to which the ~~weight~~ penalty would be applicable is ~~run~~.

~~G.H.~~ The stewards shall ensure that when a race is in dispute, both the horse that finished first and any horse claiming to have finished first incur the ~~weight~~ penalty that attaches to the winner of the race until the matter is decided.

~~H.I.~~ The stewards shall consider a ~~horse that starts~~ start of a horse for a claiming price in an optional or combination ~~aces~~ race is equivalent to have started a start in a claiming race.

~~I.J.~~ When the conditions of a race indicate the race is to be run under “scale weights” or “weights for age,” the stewards shall ensure ~~that~~ the race is run under the scale approved by the ~~Department~~ Division.

~~J.~~ ~~The stewards shall ensure that in races of intermediate length, all horses carry weights for the shorter distances.~~

~~K.~~ In all races except handicap races and races in which the conditions expressly provide otherwise:

1. Two-year-old fillies are allowed a three pounds pound weight allowance,
2. Fillies and mares that are three years old and older are allowed a five pounds pound weight allowance from January 1 through August 31 and a three pounds pound weight allowance from September 1 through December 31; and
3. The provisions of subsections (K)(1) and (2) do not apply to quarter horse fillies and mares.

R19-2-115. Claiming Races

- A.** Eligibility for claiming. In a claiming race, any horse is subject to being claimed for no less than the horse's entered price by any licensed owner ~~of a horse duly registered for racing at the track~~, the owner's licensed authorized agent, or the holder of a claiming authorization issued by the stewards.
- B.** Duration of race meets. For the purpose of claiming:
1. A commercial race meet includes county fair race meets that may be run at the commercial track before, during, or after the commercial race meet; and
 2. A county fair race meet includes both spring and fall of the county fair circuit.
- C.** Steward claiming authorization.
1. The following persons may apply to the stewards for claiming authorization:
 - a. A licensed owner whose last horse was lost by claim, death, or career-ending injury during a commercial or county fair race meet;
 - b. An individual licensed in ~~partnership or other~~ a form of multiple ownership who wants to claim a horse in sole ownership;
 - c. A currently licensed individual who wants to join in a multiple ownership venture;
 - d. A licensed owner whose horse is not participating at an Arizona track during the current Arizona licensing cycle; and
 - e. An individual who submits an application for an owner's license under R19-2-106 and intends to obtain a first horse through claiming. If the stewards determine the individual is qualified for an owner's license except for the requirement of horse ownership, the stewards may authorize the individual to claim a horse. The ~~Department~~ Division shall issue an owner's license to the individual if the individual is successful in claiming a horse.
 2. To apply for claiming authorization, an individual shall submit to the stewards a written:
 - a. Application, using a form available from the ~~Department~~ Division; and
 - b. Acknowledgment that a successfully claimed horse will be entrusted to the care and custody of a licensed trainer only.
 3. Claiming authorization obtained under this subsection is valid for six months or until the authorized individual successfully claims a horse, whichever occurs first.
- D.** Claiming restrictions.
1. An authorized agent, even if representing more than one owner, shall not submit more than one claim in any race.
 2. An authorized agent shall not claim a horse for the authorized ~~agent~~ agent's own benefit while in the capacity as of authorized agent for another individual.
 3. When a stable consists of horses owned by more than one person, the stable owners shall ensure that no more than one claim is submitted in a race by or on behalf of the stable owners.

4. The stewards may, at their discretion, require a person making a claim for a horse to provide a written affidavit ~~that the claim is made for the person's own account or as an authorized agent and not for any other person~~ regarding the intended ownership of the horse.
5. A person shall not:
 - a. Enter into or offer to enter into an agreement to claim or not to claim a horse in a claiming race,
 - b. Attempt to prevent another person from claiming a horse in a claiming race, ~~and or~~
 - c. Attempt to prevent anyone from running a horse in a claiming race.
6. The owner of one horse and the trainer of a second horse running in the same claiming race shall not make or offer to make an agreement not to claim each other's horses.
7. A person shall not enter or allow to be entered in a claiming race a horse against which there is a lien unless written consent from the lien holder is first filed with the clerk of the track or the ~~racine secretary~~ Racing Secretary.
8. A person shall not assert an ownership interest in a horse after the horse has run in a claiming race in the name of another person who, at the time of the race, had peaceable and undisputed possession of the horse.
9. A person shall not claim or cause to be claimed, directly or indirectly, for the person's account, a horse in which the person has an ownership interest.
10. An owner shall not claim a horse in the care and custody of the owner's trainer.

E. Voiding a claim. The stewards shall void a claim and return the horse to the official owner if:

1. The claimed horse suffers a fatality during the running of the race, dies, or is euthanized before leaving the track;
2. The official veterinarian, during the veterinarian's observation of the horse after the race until the horse exits the track or upon the horse's arrival at the test barn, determines the horse will be placed on the Veterinarian's List as lame. The stewards shall not void the claim if, before the race in which the horse is claimed, the claimant elects to claim the horse regardless of whether the official veterinarian determines the horse will be placed on the Veterinarian's List as lame. An election made under this subsection shall be entered on the claim form; or
3. The race is called off, canceled, or declared "no contest."

F. Claiming-option entry.

1. At the time of entry into a claiming race, the owner may opt to declare a horse ineligible to be claimed if:
 - a. The horse has been laid off and has not started for at least 120 days since the horse's last race;
and

b. The horse is entered for a claiming price equal to or greater than the price at which the horse last started;

2. A horse must be declared ineligible for claiming at the time of entry. Failure to declare a horse ineligible for claiming at the time of entry may not be reversed; and

3. The claiming-option entry applies to each first start after a qualifying layoff.

E.G. Delivery of a claimed horse.

1. The owner of a claimed horse shall ensure ~~that~~ the horse is delivered to the claimant after the claiming race is run. The claimant shall present to the owner the written claiming authorization obtained from the stewards under subsection (C).

2. The owner of a claimed horse shall ensure the horse is delivered to the claimant. The owner of a claimed horse sent to the ~~detention test barn~~ area for ~~post-race testing to provide a test sample for post-race testing~~ shall deliver custody of the horse to the claimant at the ~~detention test barn~~ area after all test samples have been obtained from the horse. The owner of a claimed horse not sent to the test barn to provide a test sample for post-race testing shall deliver the horse to the claimant as instructed by the stewards.

3. If the stewards do not send a claimed horse for post-race testing, the claimant may require post-race testing if physical delivery of the claimed horse has not occurred and the claimant pays for the testing. The trainer of a claimed horse sent for post-race testing shall maintain care and custody of the horse. ~~If a post-race test of a claimed horse is positive for a prohibited substance, the claim may be voided at the direction of the stewards.~~

4. ~~The owner of a claimed horse shall not refuse to deliver the horse to the claimant.~~

F.H. Irrevocability of a claim. A claimed horse shall race for the account of the horse's original owner but title to the horse shall transfer to the claimant when the horse becomes a starting horse. ~~After~~ Except as provided in subsection (E), after title to the horse transfers to the claimant, the claimant becomes the owner of the horse ~~regardless of whether it is alive or dead, sound or unsound, or injured before, during, or after the claiming race.~~

G.I. Ownership restrictions.

1. If a horse is claimed, the claimant:

a. Shall not sell or transfer the horse to anyone, wholly or in part, except in another claiming race, for 30 days from the day of claim; ~~and~~

b. Shall not return the horse to the same stable or under control or management of the horse's former owner or trainer for 30 days from the day of claim unless the horse is reclaimed in another claiming race; and

- c. Shall ensure ~~that~~ the claimed horse does not race outside of Arizona until the race meet at which the horse was claimed is closed or for 60 days from the day of claim, whichever is less, except:
 - i. To fulfill a stakes engagement that transferred automatically to the claimant, or
 - ii. If the horse was claimed for a price that causes the horse to be ineligible to be reentered at the track where claimed.
- 2. The stewards shall ensure that, for a horse claimed in another state and entered to race in Arizona, ~~is subject to~~ the claiming restrictions in the claiming state where the claim was made are enforced. Restrictions preventing the horse from racing in Arizona are applicable ~~only~~ until the close of the race meet ~~at which the horse was claimed~~ in the claiming state or for 60 days, whichever is less, except:
 - a. To fulfill a stakes engagement that transferred automatically to the claimant, or
 - b. If the horse was claimed for a price that causes the horse to be ineligible to be reentered at the track where claimed.
- 3. ~~It~~ To determine time periods under this subsection, the day following the claim is the first day.

H.J. Claiming price. The permittee shall ensure ~~that~~ the claiming price of each horse in a claiming race is published in the official race program. ~~A person who wishes to claim a particular horse shall submit a claim for the amount published.~~

I.K. Determining the winner of a claim. If more than one claim is filed for the same horse, the stewards shall ensure ~~that~~ the successful claimant is chosen in a drawing that is conducted under the supervision and direction of the stewards.

J.L. Responsibility for determining sex and age of horse. The claimant shall determine the sex and age of a horse before submitting a claim for the horse and shall not rely on any designation of the horse's sex and age that appears in the official race program or any other racing publication.

K.M. Claiming procedures.

- 1. To make a valid claim, a person who has a claiming authorization obtained under subsection (C) shall:
 - a. Deposit with the horseman's bookkeeper an amount equal to the claiming price;
 - b. Complete a written claim using a form furnished by the permittee and approved by the Department Division;
 - c. Identify the horse to be claimed by the exact spelling of the horse's name on the horse's certificate of registration or as spelled in the official race program;
 - d. Write the following information on the outside of an envelope provided by the permittee with the claim form:

- i. Number of the race on which the claim is made; and
- ii. Day, month, and year of the claiming race;
- e. Seal the completed claim form in the completed envelope and ensure there are no identifying markers on the outside of the envelope except as described in subsection ~~(K)(1)(d)~~ (M)(1)(d); and
- f. Deposit the completed claim form and envelope in the claim box at least 10 minutes before post time of the race on which the claim is made.
2. The stewards, or the stewards' designee, shall open the claim envelopes for a claiming race when the horses for the race enter the track on the way from paddock to post.
3. The stewards, or the stewards' designee, shall ascertain from the horsemen's bookkeeper whether an amount equal to the claiming price is on deposit.
4. After a claim form is deposited in the claim box as described in subsection ~~(K)(1)(f)~~ (M)(1)(f), the claim is irrevocable by the claimant. The stewards shall ensure ~~that~~ a claim form deposited in the claim box is not withdrawn from the claim box except by the stewards at the time designated by the stewards.

R19-2-116. Arizona Bred Eligibility and Breeders' Award Payments

- A.** A For a horse to be eligible for an Arizona Breeders' Award, a breeder shall file with the Division a notarized certificate affirming eligibility under A.R.S. § 5-113(F); ~~with the Department.~~ The certificate shall include name, color, and sex of the foal; name of the sire; name of the dam; date and location of foaling; The Jockey Club registration number or American Quarter Horse Association number; name, address, and telephone number of the breeder; a statement that the animal is eligible pursuant to under A.R.S. § 5-113(F); and ~~that~~ the person shown as the breeder was the owner of the dam at the time of foaling; and ~~such~~ other information ~~as may be required by the Department~~ Division requires to determine eligibility and shall be signed by the breeder. The breeder shall submit a copy of The Jockey Club registration papers with ~~a certificate~~ certificate for ~~thoroughbreds~~ a thoroughbred.
1. Certification is deemed to occur ~~upon when~~ when the ~~Department's receipt of~~ Division receives the completed certificate.
 2. ~~The~~ A horse shall be certified by the ~~Department~~ Division at the time of the win to be eligible for an award.
- B.** A permittee shall recognize any horse for which there is an Arizona Bred Certificate on file with the ~~Department~~ Division or an association contractor as an Arizona bred horse.
- C.** For races that offer a guaranteed purse value of \$50,000 or less, the ~~Department~~ Division shall make an award based on the total amount earned by the winner, including nominating, sustaining, and

starting fees. For races that offer a guaranteed purse value of more than \$50,000, the ~~Department~~ Division shall not include nominating, sustaining, or starting fees when calculating an award.

D. The ~~Department~~ Division shall calculate and pay breeders' awards to eligible breeders.

1. Definitions

- a. "Quarterly Breeders' Award" means an amount of money based on the quarterly breeders' award payment factor determined by the ~~Department~~ Division each fiscal year by October 30.
- b. "Substitute Breeders' Award" means an amount of money based on a substitute payment factor because of the lack of sufficient money to pay conventional Quarterly Breeders' Awards.
- c. "Supplemental Breeders' Award" means an amount of money that corrects a shortfall between ~~conventional~~ the Quarterly Breeders' Awards and Substitute Breeders' Awards.
- d. "End-of-year Bonus Award" means an amount of money that may be paid to breeders from available monies that remain in the breeders' award fund after payment of Quarterly Breeders' Awards, Substitute Breeders' Awards, and Supplemental Breeders' Awards.

2. The ~~Department~~ Division shall pay awards at the end of each fiscal year quarter, ~~provided that if~~ the total amount of the awards payments does not exceed the total amount of money available in the fund ~~less~~ minus the amount required to be set aside under subsection (D)(8) for contingent liabilities ~~in subsection (D)(8)~~.

3. Quarterly Breeders' Awards. Before October 30 of each year, the ~~Department~~ Division shall determine a quarterly breeders' award payment factor that will be applied during the entire fiscal year. The payment factor determined by the ~~Department~~ Division is not subject to appeal.

- a. The ~~Department~~ Division shall evaluate anticipated revenues for the breeders' award fund and anticipated purses for eligible Arizona-bred animals and set the payment factor at a level that ~~permits~~ allows recipients of quarterly breeders' awards to receive awards throughout the fiscal year based on the same payment factor.
- b. The ~~Department~~ Division shall notify representatives of each ~~breeders'~~ breeders association of the quarterly breeders' award payment factor in writing before October 30 of each year.
- c. The ~~Department~~ Division shall calculate quarterly breeders' awards by multiplying the amount of each purse won by an eligible animal during that quarter by the quarterly breeders' award payment factor established for the fiscal year.
- d. The ~~Department~~ Division shall make quarterly breeders' awards not later than 30 days after the end of each quarter, unless full quarterly breeders' awards cannot be made due to the lack of available money in the fund.

4. Substitute Breeders' Awards. The ~~Department~~ Division shall make substitute breeders' awards if there are sufficient monies in the fund to allow for an award but not enough monies to provide for full payments of quarterly breeders' awards based on the quarterly breeders' award payment factor.
 - a. The ~~Department~~ Division shall determine the substitute payment factor by dividing the total amount of monies in the Arizona breeders' award fund at the end of the quarter ~~less~~ minus the amount required to be set aside under subsection (D)(8) for contingent liabilities ~~in subsection (D)(8)~~ by the total amount of purses won by eligible Arizona-bred animals during that quarter.
 - b. The ~~Department~~ Division shall calculate substitute breeders' awards by multiplying the amount of each purse won by an eligible animal during that quarter by the substitute payment factor for that quarter.
5. End-of-year bonus pool. After payment of all quarterly breeders' awards and any substitute breeders' awards has been calculated, the ~~Department~~ Division shall determine the amount of monies remaining in the fund. The end-of-year-bonus pool is the amount of monies remaining in the Arizona breeders' award fund after ~~the~~ payment of all quarterly breeders' awards for the fiscal year ~~less~~ minus the amount required to be set aside under subsection (D)(8) for contingent liabilities ~~in subsection (D)(8)~~.
6. Supplemental Breeders Awards. The ~~Department~~ Division shall first pay any monies in the end-of-year bonus pool ~~in the form of~~ as supplemental ~~breeders~~ breeders' awards to recipients of substitute breeders' awards.
 - a. The ~~Department~~ Division shall pay supplemental breeders' awards in an amount equal to the difference between the substitute breeders' award and the quarterly breeders' award the breeder would have received if there had been enough in the fund to pay an award based on the quarterly award payment factor.
 - b. ~~In the event~~ If the end-of-year bonus pool cannot pay supplemental breeders' awards to make up for the shortfall to all substitute breeders' award recipients, the ~~Department~~ Division shall pay supplemental breeders' awards to all breeders eligible to receive a supplemental breeders' award on a pro-rata basis.
 - c. A breeder is eligible to receive a supplemental breeders' award from the end-of-year bonus pool only if the breeder received a substitute breeders' award during that fiscal year.
 - d. The ~~Department~~ Division shall not make supplemental breeders' awards if all eligible breeders received quarterly breeders' awards during the fiscal year.

7. End-of-year Bonus Awards. The ~~Department~~ Division shall pay end-of-year bonus awards if monies remain in the end-of-year bonus pool following any supplemental payments.
 - a. The ~~Department~~ Division shall determine an end-of-year bonus payment factor by dividing the monies in the end-of-year bonus pool by the total amount of purses won by an eligible animal during the fiscal year.
 - b. The ~~Department~~ Division shall calculate end-of-year bonus awards by multiplying the amount of each purse won by an eligible animal by the bonus payment factor.
8. Contingent liabilities. The ~~Department~~ Division shall retain \$10,000 in the Breeders' Award fund for contingent liabilities.
9. The ~~Department~~ Division shall not make quarterly breeders' awards, substitute breeders' awards, supplemental breeders' awards, or end-of-year bonus breeders' awards if the total amount available for distribution is less than \$10,000. ~~In the event~~ If the ~~Department~~ Division does not pay an award because less than \$10,000 is available for distribution, the ~~Department~~ Division shall carry forward the amount in the fund for payment of awards when the ~~Department~~ Division next calculates awards.
10. Appeal of Director's ~~Rulings~~ decision.
 - a. The Director shall make the final decision concerning a breeders' award.
 - b. The ~~Department~~ Division shall give written notice of the decision to an applicant by mailing ~~it~~ a copy of the decision to the address of record filed with the ~~Department~~ Division.
 - c. After service of the Director's decision, an aggrieved party may obtain a hearing under A.R.S. §§ 41-1092.03 through 41-1092.11 by filing a notice of appeal with the Commission under R19-2-124 within 30 days after receiving notice of the Director's decision.
 - ~~d. The aggrieved party shall file a notice of appeal with the Department within 30 days after receiving the notice prescribed in R19-2-116(D)(10)(b).~~
 - e.d. The Department If a notice of appeal is filed, the Division shall notify the Office of Administrative Hearings, which shall schedule and conduct the hearing.
- E. ~~The permittees~~ A permittee shall submit to the ~~Department~~ Division an Arizona Breeders' Award Report each month in the form prescribed by the ~~Department~~ Division. The permittee may submit an update to a monthly report within 15 days after the end of the quarter in which the report was originally submitted. The report shall include name of the ~~animal~~ winning horse, name of the breeder, date of win, win purse amount, type of race, name of track, and ~~such~~ other information ~~as may be required by the Department~~ Division requires to calculate awards.
- F. The Arizona Thoroughbred ~~Breeder's~~ Breeders Association, Arizona Quarter Racing Association, ~~Arizona Greyhound Breeder's Association~~, and ~~such~~ other associations ~~as may~~ that represent breeders

in this state may assist the ~~Department~~ Division in periodic reviews of eligibility lists and ~~may~~ provide ~~such~~ other assistance in administering the fund ~~as may be~~ if required by the ~~Department~~ Division.

- G. At least every ~~other~~ three years the Commission shall select a committee, consisting of representatives of each breeders' association and the ~~Department~~ Division, ~~which shall~~ to review this ~~rule~~ Section and submit written recommendations to the Commission.

R19-2-117. Objections

- A. ~~Every~~ An objection ~~shall~~ may be made by an owner, ~~or by such owner's~~ authorized agent, a trainer, ~~or~~ the jockey ~~of some other horse engaged in the same race,~~ or ~~by the officials~~ track official ~~of the course.~~ An objection lodged by a official is called an "inquiry." ~~Such~~ An objection shall be made to the stewards, who may require that the objection be made in writing with a copy ~~thereof~~ sent immediately to the Director.
1. ~~Any objection to~~ An objection about a horse; pertaining to ~~any a~~ a matter ~~occurring~~ that occurred in a race, except as otherwise provided, shall be made before the official numbers of the horse's place in the race are posted on the odds board.
 2. ~~Any objection to~~ An objection alleging a horse that ~~has run~~ ran in a race ~~on the grounds that it~~ was not trained by a licensed trainer; or ridden by a licensed jockey, or ~~that~~ the names of all those having ownership in ~~it~~ the horse or an interest in ~~it's~~ the horse's winnings ~~have~~ were not ~~been~~ registered with the ~~secretary~~ Racing Secretary shall be made not later than the day after ~~that upon~~ which ~~the day on which~~ the race was run.
 3. ~~Any~~ An objection ~~on the grounds of~~ alleging a fraudulent or intentional misstatement or omission ~~was made~~ in the entry under which a horse ~~has run~~ ran, or ~~on the grounds that~~ the horse ~~which~~ that ran was not the horse it was represented to be in the entry or at the time of the race, or was not ~~of~~ the age it was represented to be shall be ~~received~~ made within three days after the race.
- B. ~~Every objection, unless otherwise~~ Except as provided under subsection (A), an objection shall be made within 72 hours after the race is run and shall be determined by the stewards.
- C. Pending the determination of an objection, any money or prize ~~which~~ the horse objected to may have won, or may win in the race, shall be withheld until the objection is determined, and any sum payable to the owner of the horse objected to shall be paid to and held by the horsemen's ~~book keeper~~ and held for the person who may be determined to be entitled to it bookkeeper.
- D. Pending the disposition by the stewards, ~~Department~~ Division, or Commission of any question, both the horse ~~which~~ that finished first and any horse ~~which has claimed~~ claiming to be the winner of the

race shall be liable to all ~~the~~ penalties attaching to the winner of ~~that~~ the race ~~until the matter is decided.~~

- E. If an objection to a horse ~~which has~~ that won or ~~been~~ placed in a race is declared valid, ~~that~~ the horse may be disqualified ~~in~~ from the place in which ~~he~~ the horse finished and replaced at the discretion of the stewards.
- F. The stewards ~~shall~~ have the power at any time, ~~whether or not~~ regardless of whether an objection has ~~been~~ is made, to order an examination by ~~such a~~ a qualified person ~~or persons as they deem fit~~ as to determine the age of ~~any~~ a horse entered for a race; or ~~which that~~ which has run a race and shall withhold any money the horse may have won until ~~such~~ the examination is made. If the horse is declared of wrong age, the ~~expense of such examination shall be paid by the owner~~ shall pay for the examination.
- G. ~~No~~ A person shall not lodge an unsubstantiated objection with the stewards.
- H. The stewards may require the person making an objection to make a cash deposit of \$200 to cover the costs and expenses in of determining an the validity of the objection. The deposit ~~posted herein~~ may be forfeited if the objection ~~should prove~~ is determined to be without foundation.
- I. Every objection ~~which that~~ which is not decided by the stewards during the racing meeting shall be filed by the stewards in writing with the Director.
- J. ~~Permission of the stewards shall be necessary before an~~ An objection may be withdrawn only with permission from the stewards.

R19-2-118. Scale of Weights for Age

Generally:

- ~~1.A.~~ For thoroughbreds in races exclusively for 3-year-olds and up, the scale weight is 118 to 124 pounds; for 2-year-olds, the scale weight is 117 to 120 pounds.
- ~~2.B.~~ For quarter horses, ~~in races exclusively for 3 year olds or 4 year olds, the weight is 126 pounds; and in races exclusively for 2 year olds, it is 120 to 122 pounds~~ the minimum scale weight is 124 pounds for two-year-olds, 126 pounds for three-year-olds, and 128 pounds for four-year-olds and older.

R19-2-119. Running the Race and Winnings

A. Generally.

- 1. The permittee shall conspicuously post all track rules and file a copy of the rules with the Department Division.

2. The permittee shall ensure that post times are based on the number of races run daily and that ~~all~~ races are off at regular intervals. The permittee shall set the intervals with the approval of the stewards.
3. The permittee shall pay purse monies earned by a horse to only the horse's ~~registered~~ owner or the owner's authorized ~~agents~~ agent registered with the Racing Secretary.
4. In a stakes race that is a walkover, unless otherwise specified in the conditions of the race, the entry that appears for the race may walk over the track and be declared the winner. The permittee shall pay the walkover the entire stakes and the winning percentage of the purse.

B. Pre-race activity.

1. The paddock judge shall ensure ~~that~~ the number on the saddle cloth of a horse corresponds with the horse's number on the official race program.
2. When a horse arrives in the paddock, the trainer shall remove all blankets and bandages except bandages the horse will wear during the race.
3. The stewards ~~shall~~ may scratch a horse that arrives late in the paddock and is not ready to step onto the track with other horses entered in the same race.
4. Each horse shall parade and carry the horse's weight from the paddock to the starting post.
5. If a horse is led to the post with permission of the paddock judge, the horse shall carry the horse's weight and pass the stewards' stand on the way to the post.
6. After the horses are ordered to the starting post and until the stewards direct the track gates to be reopened, the stewards shall ~~exclude all persons~~ not allow a person except licensees a licensee designated by the stewards ~~from to be on~~ the track.
7. After the horses enter the track, no more than 12 minutes shall elapse during the parade of the horses to the post, except with ~~the~~ approval of the stewards.
8. After passing the stand once, the horses may break formation, canter, warm up, or move in any other manner until the horses are within 100 yards of the post.

C. Races.

1. The ~~Department~~ Division shall ensure ~~that~~ all races are started by a starting gate approved by the ~~Department~~ Division.
 - a. A race may be started without a stall gate or a gate with the doors open may be used if necessary and with the permission of the stewards and consent of all parties participating in the race.
 - b. If a race is started without a stall gate, the official starter shall ensure there is no start until, and no recall after, a starter's assistant drops the starter's flag in response to the order of the official starter.

- c. If use of a flipping halter prevents the starting gate of a horse from opening at the start of a race, the affected horse shall be considered a starting horse. A flipping halter may be used only if approved by the stewards or official starter.
2. If there is an unavoidable delay in starting a race, the starter, under the direction of the stewards, shall instruct the riders to dismount and lead their horses to a location designated by the stewards.
 3. A horse may be excused by the stewards and, if excused, shall not be considered to have started in the race if the horse is:
 - a. Deemed unfit to start during the post parade, or
 - b. Injured by an accident in the gate.
 4. A horse that misbehaves in the gate and causes an undue delay in the start of a race may be excused by the starter after consultation with the stewards. The horse shall not be considered to have started in the race, ~~but~~ and shall be ~~penalized by being~~ put on the starter's schooling list. As specified in ~~R19-2-113(B)(1)(5)~~ R19-2-113(B)(5), a horse on the starter's schooling list is not eligible for entry in races until the starter, with the approval of the stewards, removes the horse from the schooling list.
 5. A race shall not be run if conditions do not allow the horses to be ~~plainly~~ seen plainly from the stand by the judges and stewards.
 6. Every horse in a race is entitled to racing room. A horse or jockey shall not deliberately pocket another horse. In a straightaway race, each horse shall maintain the position in the lane in which the horse starts as nearly as possible.
 7. If a horse is ridden or drifts out of its lane ~~in a manner that~~ and interferes with or impedes another horse, a foul is committed. The stewards may disqualify the horse committing the foul if the outcome of the race is affected by the foul. The stewards may place the horse committing the foul behind the horse fouled. The provisions of this subsection apply to ~~fouls~~ a foul caused by the horse or the jockey ~~and fouls~~ regardless of whether the foul is caused intentionally or unintentionally.
 - a. If part of an entry is disqualified, the stewards shall decide whether the disqualification extends to all of the entry. If the disqualification does not extend to all of the entry, the stewards shall specify the part of the entry to which the disqualification extends.
 - b. The stewards shall not penalize a jockey if the stewards rule that the foul under subsection (C)(7) was caused by the horse, despite obvious efforts of the jockey to maintain the horse in its lane position.

- c. If the stewards rule that the foul under subsection (C)(7) was caused by the jockey failing to attempt to prevent the foul or willfully riding the horse out of its lane, the jockey shall be subject to ~~imposition of~~ penalties imposed by the stewards.
- d. In a race run around a turn, a horse that is in the clear may be taken to any part of the track. If the stewards determine that weaving back and forth in front of another horse is interference or intimidation, the jockey shall be penalized.
8. ~~A jockey shall not cause the jockey's horse to shorten stride with a view to making a complaint.~~ If the stewards ~~decide that~~ determine a jockey committed an intentional foul ~~was committed~~ in the riding of a race or that a the jockey was instructed or induced to ride in a manner that caused a foul, the stewards shall suspend all persons the stewards determine, following a hearing, ~~are guilty of complicity~~ were complicit in the foul.
9. When a horse is disqualified by the stewards under A.R.S. Title 5, Chapter 1 and this Chapter, the stewards shall disqualify and replace every horse in the race that belongs wholly or in part to the same owner or is under ~~the~~ management ~~of~~ by the same trainer, if the stewards find there is good cause to disqualify and replace the other horses.
10. A horse shall be ridden across the finish line carrying the horse's assigned weight to participate in the purse distribution of a race unless the nomination blank for the race states otherwise.
11. ~~A whip shall not~~ jockey may carry a riding crop ~~be carried~~ on a 2-year-old in a race on the straightaway before ~~March~~ April 1. ~~After April 30, following satisfactory performance out of the gate with a whip and with approval of the starter, a~~ may be carried in a race under this subsection However, the jockey shall not use the riding crop except to maintain control of the 2-year-old or to avert an immediate safety risk. The stewards may determine whether a jockey's use of a riding crop on a 2-year-old was proper and penalize the jockey for inappropriate use.
12. An owner, trainer, ~~handler,~~ or jockey shall not attempt to prevent a horse from running the horse's best and winning.

D. Dead heats.

1. When a race results in a dead heat, the heat shall not be run off.
2. If a race results in a dead heat, all prizes to which the horses finishing in the dead heat would have been entitled shall be divided equally between them.
3. When a dead heat is run for second place and an objection is made and sustained to the winner of the race, the horses that ran the dead heat shall be deemed to have run a dead heat for first place.
4. If the ~~dividing~~ owners of horses involved in a dead heat cannot agree which owner is to have a cup or other prize that cannot be divided, the question shall be determined by a drawing conducted by the permittee.

5. Each horse that runs a dead heat for a race or place shall be deemed a winner of that race or place and ~~shall be~~ liable as the winner for any penalty or disability incurred.

E. Winnings or wins.

1. To calculate the total winnings of a horse, ~~include all prizes and wins:~~
 - a. Include all prizes and wins until the time:
 - a.i. ~~Until the time for~~ For the start of a race regardless of the country in which the prize or win occurred;
 - b.ii. ~~Until the time of~~ Of entry for a county fair race meet that does not have an also-eligible list; and
 - e.b. ~~This subsection does not apply to~~ Exclude winnings from a maiden race at a county fair race meet.
2. Winnings include prizes earned by walking over or receiving forfeit.
3. Winnings do not include second and third place money or the value of any non-monetary prize.
4. Winnings during a year ~~shall be~~ are computed from January 1 of the year.
5. If the conditions of a race refer to a winner of a certain sum, the condition means a winner of that sum in a single race unless the conditions specify otherwise.
6. In estimating the net value of a race to ~~the~~ a winner, all sums contributed by the winner's owner or nominator ~~shall be~~ are deducted from the amount won.
7. Winners or losers of steeplechases, hurdle races, thoroughbred races, or mixed quarter horse races ~~shall be~~ are considered winners or losers on the flat, and winners or losers on the flat ~~shall be~~ are considered winners or losers of steeplechases, hurdle races, thoroughbred races, or mixed quarter horse races.

R19-2-120. Veterinary Practices, Animal Medication Drugs, and Animal Testing

A. Veterinary practices.

1. The ~~state~~ Division veterinarian and stewards have authority over a veterinarian licensed by the ~~Department~~ Division and practicing at a location under the ~~Department's~~ Division's jurisdiction. The ~~state~~ Division veterinarian shall inform the stewards or ~~Department~~ Division of a licensed veterinarian who violates A.R.S. Title 5, Chapter 1 or this Chapter.
2. Treatment restrictions.
 - a. ~~The Department shall authorize only~~ Only a veterinarian licensed under A.R.S. Title 32, Chapter 21 and by the ~~Department~~ Division is authorized to administer a ~~prescription or drug~~ that is a controlled medication, drug, or other substance, as listed in A.R.S. Title 36, Chapter 27, is available only by prescription, including a medication, drug, or other substance or is

- administered by injection, to a horse at a location under the ~~Department's~~ Division's jurisdiction.
- b. Subsection (A)(2)(a) does not apply to administration of the following ~~substances~~ if the substances are administered in levels that do not interfere with post-race testing:
- i. A non-injectable nutritional supplement or other substance approved by the ~~state~~ Division veterinarian;
 - ii. A non-injectable substance on direction or by prescription of a licensed veterinarian; ~~or~~
 - iii. A non-injectable, non-prescription, substance; or
 - iv. Furosemide administered on the day of the race under a Division-approved third-party Lasix program.
- c. A licensee shall not possess a hypodermic needle, syringe, or other injectable device at a location under the ~~Department's~~ Division's jurisdiction unless the hypodermic needle, syringe, or other injectable device has been approved by the ~~Department~~ Division. At a location under the ~~Department's~~ Division's jurisdiction, a veterinarian shall use only one-time use, disposable, hypodermic needles and shall dispose of the used needles in a manner approved by the ~~Department~~ Division.
- d. A licensee who has a medical condition that makes it necessary for the licensee to have a hypodermic needle, syringe, or other injectable device at a location under the ~~Department's~~ Division's jurisdiction shall make a written request for permission to the stewards or ~~Department~~ Division before bringing the hypodermic needle, syringe, or other injectable device to a location under the ~~Department's~~ Division's jurisdiction. The licensee shall attach to the written request for permission a letter from a licensed ~~physician~~ health professional explaining why it is necessary for the licensee to possess the hypodermic needle, syringe, or other injectable device and shall comply with all conditions and ~~restriction~~ restrictions established by the stewards or ~~Department~~ Division.
- e. A ~~private~~ veterinarian employed by ~~a horse~~ an owner shall not have contact with an entered horse on race day ~~before the race in which the horse is entered except to administer furosemide according to standards established in this Section or if the contact is approved by the state veterinarian~~ except to administer Furosemide in the absence of a Division-approved third-party Lasix program.
- f. The trainer or owner of an entered horse shall ensure ~~that~~ the horse is present at a location under the ~~Department's~~ Division's jurisdiction at least five hours before post time of a race in which the horse is entered, unless the horse is not receiving Furosemide and an alternate time has been approved by the stewards.

g. Notwithstanding the provisions of this Section, any veterinarian may treat a horse if an emergency involving the life or health of the horse exists.

3. Veterinarians' records.

a. A veterinarian who treats a horse or performs another professional service at a location under the ~~Department's~~ Division's jurisdiction or who treats a horse that is actively participating in a race meet even if the treatment is provided at a location not under the ~~Department's~~ Division's jurisdiction, shall ensure ~~that~~ a treatment record is maintained ~~on all horses for which the veterinarian prescribes, administers, or dispenses medication or performs other professional services.~~ The veterinarian shall ensure ~~that~~ the treatment record includes at least the following information:

- i. Name of horse treated;
- ii. Name of ~~medication, drug, or substance~~ administered or prescribed and description of any other professional service performed;
- iii. Date and time of treatment;
- iv. Name of the horse's trainer;
- v. Other information requested by the ~~state~~ Division's veterinarian; and
- vi. The treating veterinarian's signature.

b. The veterinarian shall ensure ~~that~~ treatment records are current at all times and make the treatment records available to the stewards or ~~Department~~ Division within 24 hours after a request is made. The veterinarian shall retain the treatment records for at least one year after the date of treatment.

c. The veterinarian shall retain a copy of all bills or statements provided to the owner or trainer of a treated horse for at least one year after the date of treatment and make the copies available to the ~~Department~~ Division within 48 hours after a request is made.

B. Prohibited practices.

1. A licensee shall not possess or use a ~~medication, drug, or substance~~ at a location under the ~~Department's~~ Division's jurisdiction if:

- a. There is no recognized analytical method to detect and confirm that the ~~medication, drug, or substance~~ has been administered to a horse;
- b. Use of the ~~medication, drug, or substance~~ may:
 - i. Endanger the health and welfare of the horse to which it is administered,
 - ii. Endanger the safety of the rider of the horse to which it is administered, or
 - iii. Adversely affect the integrity of racing; or

- c. The ~~medication, drug, or substance~~ has not been approved by the U.S. Food and Drug Administration for human or animal use and the ~~Department~~ Division has not approved use of the ~~medication, drug, or substance~~.
2. A licensee shall not possess or use a blood doping agent, including but not limited to the following, at a location under the ~~Department's~~ Division's jurisdiction:
 - a. ~~Erythropoietin~~ Aminoimidazole Carboxide Ribonucleotide (AICAR),
 - b. Darbepoetin,
 - c. Equine growth hormone,
 - d. Erythropoietin
 - e.e. Oxyglobin®,
 - ~~d.f.~~ Hemopure®,
 - e.g. Myo-Inositol Trispyrophosphate (ITPP), or
 - f.h. AICAR Thymosin Beta, or
 - i. Venoms or derivatives of venoms.
3. A person other than a licensed veterinarian shall not possess or use an extracorporeal shock wave therapy machine or radial pulse wave machine at a location under the Division's jurisdiction. A veterinarian who uses an extracorporeal shock wave or radial pulse wave therapy machine on a horse at a location under the ~~Department's~~ Division's jurisdiction shall ensure ~~that~~ all of the following conditions are met:
 - a. The veterinarian is licensed under A.R.S. Title 32, Chapter 21 and by the ~~Department~~ Division;
 - b. The veterinarian informs the ~~Department~~ Division of the plan to use an extracorporeal shock wave or radial pulse wave therapy machine before the machine is used at a location under the ~~Department's~~ Division's jurisdiction;
 - c. An extracorporeal shock wave or radial pulse wave therapy treatment is reported to the ~~state~~ Division veterinarian on a form prescribed by the ~~Department~~ Division no ~~later~~ more than 24 hours after the time of treatment; and
 - d. ~~A~~ The Division veterinarian shall place a horse treated with extracorporeal shock wave therapy or radial pulse wave therapy ~~does not race on the Veterinarian's List~~ for at least 10 days following treatment. The day of treatment is considered day one.
4. A licensee shall not use a nasogastric tube ~~that is longer than six inches~~ to administer a ~~medication, any drug, or other substance~~ to a horse within 24 hours before post time of a race in which the horse is entered without permission of the ~~state~~ Division veterinarian.

5. A licensee shall not participate in chemical or surgical desensitizing of the nerves of a horse intended to be entered in a race at a location under the ~~Department's~~ Division's jurisdiction.
 - a. ~~The racing secretary~~ Racing Secretary shall not accept registration papers for a desensitized horse, and
 - b. A licensee shall not enter a desensitized horse in a race at a location under the ~~Department's~~ Division's jurisdiction, and.
 - e. ~~A licensee shall not race a horse that is desensitized at the time the horse arrives at the receiving barn or saddling paddock.~~

C. Drug classification and penalties.

1. If the stewards determine ~~that~~ a licensee has violated this Section, the stewards shall consult the ~~Uniform Classification Guidelines of Foreign Substances and Recommended Penalties and the model rule, both of which are~~ established by the ~~Association of Racing Commissioners International (ARCI)~~ ARCI. After determining the classification level of the violation, the stewards ~~shall impose a penalty on the licensee~~ may take into account but are not obligated to follow the recommended penalties in the Classification Guidelines.
2. The stewards shall investigate an alleged violation of this Section and determine a penalty on a case-by-case basis. The stewards shall consider at least the following factors when determining the penalty to impose:
 - a. The disciplinary record of the licensee ~~involving a medication, drug, or substance~~;
 - b. The potential of the ~~medication, drug, or substance~~ to influence a horse's racing performance;
 - c. The legal availability of the ~~medication, drug, or substance~~;
 - d. Whether there is reason to believe the responsible licensee intentionally administered or knew of the administration of the ~~medication, drug, or substance or intentionally administered the medication, drug, or substance~~;
 - e. The steps taken by the trainer to safeguard the horse to which the ~~medication, drug, or substance~~ was administered;
 - f. The probability of environmental contamination or inadvertent exposure due to human drug use;
 - g. The purse of the race in which the affected horse was entered;
 - h. Whether the ~~medication, drug, or substance~~ found was one for which the horse was receiving a treatment as disclosed to the ~~Department~~ Division;
 - i. Whether there was a suspicious ~~betting~~ wagering pattern in the race in which the affected horse was entered; and
 - j. Whether the licensed trainer was acting under the advice of a licensed veterinarian.

3. In ~~making~~ issuing a penalty decision ~~under this subsection~~ against an individual found guilty of a drug violation, the stewards shall distinguish between ~~a medication, drug, or substance that is used~~ detecting a therapeutic drug, or substance that is routinely used to treat a horse and ~~a medication, drug, or substance for which there is that has~~ no reason that the medication, drug, or substance should to be found in at any concentration in a test sample taken ~~from a horse~~ on race day.
4. If a licensed veterinarian ~~administers or prescribes~~ decides to administer or prescribe a ~~medication, drug, or substance~~ that is not listed in ~~materials identified in subsection (C)(1)~~ the Classification Guidelines, the licensed veterinarian shall ~~timely~~ immediately notify the stewards ~~and Division veterinarian of the drug and~~ forward the identity of the ~~medication, drug, or substance~~ to the ARCI Drug Testing Standards and Practices Committee or the Racing Medication and Testing Consortium for classification before administering the drug. Until classification is received, the horse shall be placed on the Veterinarian's List.
5. The ~~Department~~ Division shall classify a ~~medication, drug, or substance~~ or a metabolite of the ~~medication, drug, or substance~~ found in a pre- or post-race test sample that is not currently classified in the ~~materials identified in subsection (C)(1)~~ Classification Guidelines as an ARCI Class 1, Penalty A drug and ~~impose a penalty commensurate with the Class 1 classification on the trainer or owner of the horse from which the sample was taken unless the trainer or owner provides information from the ARCI Drug Testing Standards and Practices Committee or the Racing Medication and Testing Consortium that a different classification is applicable.~~
6. ~~The Department shall provide written notice of a hearing to a licensee alleged to be involved in a violation of this Section. The Department shall provide an opportunity for the licensee to attend the hearing and written notice of the Department's order.~~
7. ~~6.~~ In addition to a penalty issued by the stewards or the ~~Department~~ Division, the ~~Department~~ Division may refer a veterinarian found to be involved in the administration of a ~~medication, drug, or substance carrying a category "A" penalty~~, as specified in the ~~materials identified in subsection (C)(1)~~ Classification Guidelines, to the Veterinary Medical Examining Board for consideration of further disciplinary action.
8. ~~If the stewards or Department believe a licensee may have committed an act that violates state criminal law, the Department shall make a referral to an appropriate law enforcement agency. Administrative action taken by the stewards or Department does not prohibit criminal prosecution. Criminal prosecution does not prohibit administrative action by the stewards or Department.~~
9. If the license of a trainer is suspended, the suspended trainer shall not benefit financially during the period of suspension by transferring the custody, care, and control of a horse to another

~~person. The Department shall approve all transfers of the custody, care, and control of a horse from one person to another.~~

D. Prohibited ~~medications~~ drugs.

1. If the official laboratory finds a prohibited ~~medication, drug, or other substance~~ in a test sample from a horse, the ~~Department~~ Division shall view this as prima facie evidence that the prohibited ~~medication, drug, or other substance~~ was administered to the horse and a trainer has violated subsection (N)(1). If a prohibited ~~medication, drug, or other substance~~ is found in a test sample taken from a horse after the horse has raced, ~~the Department shall conclude that the test result is proof~~ the prohibited ~~medication, drug, or substance~~ was present in the horse's body while the horse participated in the race.
2. The following ~~medications, drugs, and substances~~ are prohibited to be found in a test sample taken from a horse:
 - a. A ~~medication or drug~~ at any concentration for which no acceptable threshold concentration has been established by the Classification Guidelines;
 - b. A therapeutic ~~medication~~ drug in excess of the established threshold concentration established by the Classification Guidelines;
 - c. A ~~substance present in a horse~~ drug in excess of the concentration at which the ~~substance~~ drug could occur naturally; ~~and~~;
 - d. A ~~substance foreign to a horse~~ drug present at a concentration that could interfere with testing procedures; and
 - e. Clenbuterol found at any concentration if the test sample was taken from a racing quarter horse or other breeds racing with quarter horses.
3. Except as otherwise provided in this Chapter, a licensee shall not administer or cause to be administered to a horse a prohibited ~~medication, drug, or other substance~~ during the 24 hours before post time for a race in which the horse is entered.

E. Medical labeling.

1. Except as provided in subsection (E)(2), a licensee at a location under the ~~Department's~~ Division's jurisdiction shall not have in the licensee's personal property, including a vehicle, or under the licensee's care, custody, or control, a ~~medication, drug, or other substance~~ that is prohibited in a horse on a race day unless the ~~medication, drug, or other substance~~ is prescribed and labeled as specified in subsection (E)(3).
2. Subsection (E)(1) does not apply to a veterinarian licensed under A.R.S. Title 32, Chapter 21 and this Chapter.

3. A licensed veterinarian shall ensure ~~that~~ a prescription is issued for a ~~medication, drug, or other substance~~ that is used or kept at a location under the ~~Department's~~ Division's jurisdiction if federal or state law requires a prescription for the ~~medication, drug, or other substance~~. The licensed veterinarian shall ensure ~~that~~ the ~~medication, drug, or other substance~~ has a securely attached prescription label containing the following information:
 - a. Name of the ~~medication, drug, or other substance~~;
 - b. Name, address, and telephone number of the veterinarian prescribing or dispensing the ~~medication, drug, or other substance~~;
 - c. Name of the horse for which the ~~medication, drug, or other substance~~ is prescribed;
 - d. Dose, dosage, duration of treatment, and expiration date of the prescribed ~~medication, drug, or other substance~~; and
 - e. Name of the licensee to whom the ~~medication, drug, or other substance~~ is dispensed.
- F. Non-steroidal anti-inflammatory drugs (NSAIDs) and stacking violations. The following conditions govern the use of NSAIDs.**
1. A licensee ~~who determines it is necessary to~~ shall not administer a NSAID to a horse, ~~shall ensure that only the following NSAIDs are used:~~ fewer than 48 hours before the scheduled post time of a race in which the horse is entered.
 - a. ~~Phenylbutazone,~~
 - b. ~~Flunixin, or~~
 - c. ~~Ketoprofen.~~
 2. A licensee ~~who administers one of the NSAIDs listed in subsection (F)(1) to a horse shall ensure that:~~ If there is evidence a licensee violated subsection (F)(1), the licensee is guilty of a Class C violation.
 - a. ~~The administration occurs at least 24 hours before the post time for a race in which the horse is entered; and~~
 - b. ~~The serum or plasma threshold concentration of the NSAID does not exceed the following, which is consistent with administration of a single intravenous injection:~~
 - i. ~~Phenylbutazone—5 micrograms per milliliter;~~
 - ii. ~~Flunixin—20 nanograms per milliliter; and~~
 - iii. ~~Ketoprofen—10 nanograms per milliliter.~~
 3. A licensee ~~shall ensure that administration of more than one of the NSAIDs listed in subsection (F)(1) to a horse is discontinued at least 48 hours before the post time for a race in which the horse is entered.~~

~~4.3. A licensee shall not administer a NSAID to a horse within 24 hours before post time for a race in which the horse is entered. Notwithstanding the provision in subsection (F)(1), the presence of one of the following NSAIDs does not constitute a violation:~~

- ~~a. Phenylbutazone at a concentration of less than .03 micrograms per milliliter of plasma or serum;~~
- ~~b. Flunixin at a concentration of less than 5.0 nanograms per milliliter of plasma or serum; or~~
- ~~c. Ketoprofen at a concentration of less than 2.0 nanograms per milliliter of plasma or serum.~~

~~5.4. The Department shall subject a horse to which a NSAID has been administered to post race blood or urine sampling supervised by the state veterinarian. The Department shall ensure that the samples are tested to determine the quantitative NSAID level and whether other medications, drugs, or substances are present. The Department shall take disciplinary action against the horse's trainer if the test results show: The presence of two or more NSAIDs in a test sample constitutes a NSAID stacking violation, which is penalty Class B.~~

- ~~a. The presence of more than one of the NSAIDs listed in subsection (F)(1) unless the second NSAID is Phenylbutazone in a concentration of less than .5 micrograms per milliliter of serum or plasma or Flunixin in a concentration of less than 5 nanograms per milliliter of serum or plasma; or~~
- ~~b. A NSAID not listed in subsection (F)(1).~~

G. Furosemide.

1. Unless the ~~state~~ Division veterinarian instructs otherwise, a licensee shall not administer furosemide intravenously to an entered horse until only after the ~~state~~ Division veterinarian places the horse on the Furosemide List.
2. The following procedure applies to place a horse on or take a horse off the Furosemide List:
 - a. If the horse's trainer and veterinarian determine ~~that~~ it is in the horse's best interest to race with furosemide, the trainer and veterinarian shall notify the ~~state~~ Division veterinarian or designee, using a form prescribed by the ~~Department~~ Division, and request that the horse be placed on the Furosemide List;
 - b. The horse's trainer and veterinarian shall ensure ~~that~~ the ~~state~~ Division veterinarian or designee receives the notice required under subsection (G)(2)(a) no later than the time for entering the horse in a race;
 - c. After a horse is placed on the Furosemide List, the horse shall remain on the list until the horse's trainer and veterinarian submit a written request for removal to the ~~state~~ Division veterinarian, using a form prescribed by the ~~Department~~ Division. The horse's trainer and

- veterinarian shall ensure ~~that~~ the required request for removal is submitted no later than the time for entering the horse in a race;
- d. After a horse is removed from the Furosemide List, the ~~state~~ Division veterinarian shall not allow the horse to be placed on the Furosemide List for 60 days unless the ~~state~~ Division veterinarian determines that failure to put the horse on the Furosemide List is detrimental to the welfare of the horse;
 - e. If a horse is removed from the Furosemide List a second time in 365 days, the ~~state~~ Division veterinarian shall not allow the horse to be placed on the Furosemide List for 90 days; and
 - f. The ~~state~~ Division veterinarian shall ensure ~~that~~ the provisions in subsections (G)(2)(d) and (e) are not applied to a horse that was mandated by the conditions of entry to race without furosemide in the horse's previous race. The horse may be placed on the Furosemide List, at the election of the horse's trainer or veterinarian, by following the procedures in subsections (G)(2)(a) and (b).
3. On request by the ~~Department~~ Division, a veterinarian who administers furosemide to a horse shall surrender the syringe used in the administration for testing.
 4. A veterinarian shall administer furosemide to a horse only at a location under the ~~Department's~~ Division's jurisdiction.
 5. ~~If a location under the Department's jurisdiction is used for administration of furosemide, the~~ The trainer or veterinarian of a horse to which furosemide is to be administered shall ensure ~~that~~ the following conditions are met:
 - a. The horse is on the Furosemide List;
 - b. The horse is brought to the detention barn or other designated location at least four hours before post time of a race in which the horse is entered;
 - c. The furosemide is administered no fewer than four hours before post time of a race in which the horse is entered;
 - d. The dose of furosemide administered is between 150 mg. and 500 mg.;
 - e. The dose of furosemide is administered by a single, intravenous injection; and
 - f. After the furosemide is administered, the horse remains in the detention barn or other designated location in the care, custody, and control of the horse's trainer and under ~~Department~~ Division supervision until called to the saddling paddock.
 6. After furosemide is administered, the trainer or veterinarian of the treated horse shall deliver the following information to the ~~state~~ Division veterinarian, at least three hours before post time for a race in which the horse is entered, under oath and on a form prescribed by the ~~Department~~ Division:

- a. Name of the horse to which furosemide was administered,
- b. Name of the track at which the horse is entered to race,
- c. Date and time the furosemide was administered,
- d. Dosage of furosemide administered,
- e. Side of the horse in which the furosemide was administered, and
- f. Printed name and signature of the veterinarian who administered the furosemide.

7. A Division-approved third-party Lasix program may be used to administer furosemide under this Section. A veterinarian or veterinarian technician participating in a Division-approved third-party Lasix program shall not work as a private veterinarian or veterinarian technician on a racetrack for or with Division licensees. The Division-approved third-party Lasix program or permittee may, with approval from the Division, recoup from the licensed owner of a treated horse, the reasonable costs associated with administering furosemide as prescribe under this Section.

~~7.8.~~ The state Division veterinarian shall ensure ~~that~~ a post-race ~~urine, serum, or plasma~~ test sample from a horse that raced with furosemide is tested to determine the concentration of furosemide in the horse. ~~If~~ It is a violation of this Section if the post-race test results of a horse was scheduled to race that raced with furosemide, ~~the post race testing shall do not~~ show:

- a. A specific gravity of urine of 1.010 or greater, or
- b. A concentration of no more than 100 nanograms of furosemide per milliliter of serum or plasma.

H. ~~Bleeder list~~ List.

1. The state Division veterinarian ~~or designee~~ shall maintain a Bleeder List of all horses, regardless of age, ~~for which the state~~ The Division or track veterinarian ~~or designee~~ shall place a horse on the Bleeder List only after the veterinarian personally observes external evidence of exercise-induced pulmonary hemorrhage from one or both nostrils of the horse during or after a race or workout.
2. A horse placed on the Bleeder List shall ~~be ineligible to~~ not race for the following periods:
 - a. First incident – 10 days;
 - b. Second incident within a 365-day period – 60 days;
 - c. Third incident within a 365-day period – 180 days; and
 - d. Fourth incident within a 365-day period – lifetime bar from racing.
3. For the purpose of counting the number of days a horse is ineligible to ~~run~~ race, the day the veterinarian witnessed the horse bleed externally is the first day of the required recovery period.

4. The ~~state~~ Division veterinarian or designee shall not place a horse on the Bleeder List if furosemide is was voluntarily administered to the horse under subsection (G) ~~without an external~~ before the bleeding incident.
5. ~~The Department shall authorize only~~ Only the ~~state~~ Division veterinarian is authorized to remove a horse from the Bleeder List. To remove a horse from the Bleeder List, the ~~state~~ Division veterinarian shall certify the recommendation for removal in writing to the stewards.
6. The ~~state~~ Division veterinarian ~~or designee~~ shall place a horse on the Bleeder List if the horse has been placed on a Bleeder List in another jurisdiction.

~~I. Anti-ulcer medications. A veterinarian who determines it is necessary to administer an anti-ulcer medication to a horse shall administer one of the following anti-ulcer medications, at the stated dosage, no less than 24 hours before post time for a race in which the horse is entered:~~

1. ~~Cimetidine (Tagamet®) 8 to 20 mg/kg PO BID-TID;~~
2. ~~Omeprazole (Gastrogard®) 2.2 Grams PO SID; or~~
3. ~~Ranitidine (Zantac®) 8 mg/kg PO BID.~~

~~J.I. Environmental and human-induced contaminants and substances of human use.~~

1. ~~The Department shall take disciplinary action against a trainer responsible for a horse that has more than 100 nanograms of caffeine in a milliliter of serum or plasma at the time of a pre- or post-race test. An environmental contaminant can be endogenous to a horse, arise from plants traditionally grazed or harvested as equine feed, or be present in equine feed because of contamination during cultivating, processing, treating, storing, or transporting.~~
2. ~~If a preponderance of the evidence presented during a hearing shows that a positive test conducted on a horse results from environmental contamination or inadvertent exposure to human use of a medication, drug, or other substance, the Department shall consider the evidence as a mitigating factor in determining the disciplinary action to take against the affected trainer. Human-induced contaminants are substances found in a horse that result from the horse's close association with humans.~~
3. ~~If a preponderance of evidence shows that a positive test result is a consequence of accidental environmental or human-induced contamination, the Division shall consider that factor in mitigation of any disciplinary action taken against a licensee. The Division shall take disciplinary action against a licensee for the following environmental or human-induced contaminants when analysis of the test sample shows a concentration in excess of the following thresholds:~~
 - a. Arsenic—0.3 micrograms per milliliter total arsenic in urine;
 - b. Caffeine—100 nanograms per milliliter of plasma or serum;
 - c. Cathinone—10 nanograms per milliliter in urine;

- d. Cobalt—25 ppb in blood plasma or serum;
- e. Estradiol—0.045 micrograms per milliliter, free + conjugated 5 α –estrane-3 β , 17 α -diol, in the urine of male horses other than geldings;
- f. Gamma Aminobutyric Acid—110 nanograms per milliliter of plasma or serum;
- g. Hydrocortisone - 1 microgram per milliliter of urine;
- h. Methoxytyramine - 4 micrograms per milliliter, free + conjugated in urine;
- i. Morphine/morphine glucuronides - 100 nanograms per milliliter in urine;
- j. Salicylate/Salicylic Acid - 750 micrograms per milliliter of urine or 6.5 micrograms per milliliter of serum or plasma;
- k. Scopolamine - 75 nanograms per milliliter of urine;
- l. Strychnine - 100 nanograms per milliliter of urine;
- m. Theobromine - 2 micrograms per milliliter of urine or 0.3 micrograms per milliliter of serum or plasma; and
- n. Theophylline - 400 nanograms per milliliter of urine.

~~K.~~J. Androgenic-anabolic steroids (AAS).

1. The ~~Department~~ Division shall take disciplinary action against a trainer responsible for a horse if a ~~urine test conducted on~~ sample taken from the horse under the trainer's care shows:
 - a. The presence of an AAS other than those listed in subsection ~~(K)(2)~~ (J)(2), or
 - b. ~~A concentration~~ The presence of an AAS listed in subsection ~~(K)(2)~~ (J)(2) with a concentration greater than the threshold ~~concentration~~ listed in subsection ~~(K)(2)~~ (J)(2).
2. The ~~Department~~ Division shall permit the presence of the following AAS at a concentration at or less than the indicated threshold in the ~~urine test sample~~ of a horse:
 - a. ~~16 β hydroxystanozolol (metabolite of stanozolol (Winstrol) in all horses regardless of sex—1 ng/ml in urine or 100 pg/ml in serum or plasma;~~
 - ~~b.~~a. Boldenone (Equipoise® is the undecylenate ester of boldenone) in:
 - i. Male horses other than geldings – 15 ng/ml in urine or 100 pg/ml in serum or plasma; and
 - ii. Geldings and female horses – 100 pg/ml in serum or plasma;
 - ~~c.~~b. Nandrolone (Durabolin® is the phenylpropionate ester and Deca-Durabolin® is the decanoate ester) in:
 - i. Geldings, fillies, and mares – 1 ng/ml in urine or 100 pg/ml in serum or plasma; and
 - ii. Intact males -- 500 pg/ml in serum or plasma; and
 - ~~d.~~c. Testosterone in:
 - i. Geldings – 20 ng/ml in urine;
 - ii. Fillies and mares – 55 ng/ml in urine or 100 pg/ml in serum or plasma; and

- iii. Intact males – 2,000 pg/ml in serum or plasma.
- 3. The ~~state~~ Division veterinarian shall ensure ~~that a urine test~~ sample is identified with the sex of the horse from which the ~~urine test~~ sample was obtained before the ~~urine test~~ sample is forwarded to the official laboratory for ~~testing~~ analysis.
- 4. The ~~state~~ Division veterinarian shall place a horse to which an AAS has been administered to assist in recovery from illness or injury on the Veterinarian's List to allow concentration of the AAS or metabolite in the horse's ~~urine test sample~~ to be monitored. The ~~state~~ Division veterinarian may remove the horse from the Veterinarian's List when the concentration of the AAS or metabolite in ~~urine the test sample~~ is less than the threshold indicated in subsection ~~(K)(2)~~ (J)(2).

L.K. ~~TCO₂ TOC₂~~ testing and procedures.

- 1. A person shall not use an agent that elevates the TCO₂ level of a horse above a normal physiological concentration that exists naturally in an untreated horse.
- 2. The Division has determined the normal physiological concentration of TCO₂ that exists naturally in an untreated horse is 37.0 millimoles per liter of plasma or serum.
- ~~1.3.~~ A steward or ~~Department~~ Division veterinarian may order that a ~~blood test~~ sample be collected from a horse before or after a race to determine the ~~TCO₂~~ TCO₂ concentration in the serum or plasma of the horse. ~~If it is determined that testing for TCO₂ concentration is necessary, the state veterinarian shall ensure that the following procedure is used:~~

 - ~~a. The state veterinarian shall ensure that at least two tubes of blood are obtained from the horse for TCO₂ testing;~~
 - ~~b. If the owner or trainer of a horse to be tested for TCO₂ concentration wishes to have split sample testing performed, the owner or trainer shall request the split sample testing before the sample is collected;~~
 - ~~c. The owner or trainer of a horse to be tested for TCO₂ concentration who requests split sample testing shall pay all costs related to obtaining, handling, shipping and analyzing the split;~~
 - ~~d. If the official laboratory determines that the concentration of TCO₂ in the blood of a horse exceeds 37 millimoles per liter, the official laboratory shall inform the Department immediately of the positive finding; and~~
 - ~~e. If the Department, in its discretion, determines the split sample cannot be tested within five days after the sample is collected, the determination of TCO₂ concentration made by the official laboratory is final.~~

~~2.4.~~ The stewards shall declare a horse ineligible to race if the owner, trainer, or other person responsible for the horse refuses or fails to permit a ~~blood~~ test sample to be collected from the horse.

~~3.5.~~ If the result obtained by the official laboratory shows that a horse has a concentration of ~~TCO₂~~TCO₂ greater than 37 millimoles per liter and the owner or trainer of the horse certifies in writing to the stewards within 24 hours after receiving notice of the test result that the concentration is normal for the horse, the owner or trainer may request that the horse be held in quarantine. If quarantine is requested, the permittee shall make guarded quarantine available for the horse for ~~a period up to~~ a maximum of 72 hours as determined by the stewards.

- a. The owner or trainer of the horse shall pay all expenses associated with maintaining the quarantine;
- b. During quarantine, the ~~state~~ Division veterinarian shall ensure that the horse's ~~TCO₂~~TCO₂ concentration is re-tested;
- c. The stewards shall not allow the horse to race during the quarantine period but may allow the horse to be exercised and trained at times and in a manner that allows ~~monitoring of the~~ Division to monitor the horse ~~by the Department~~;
- d. The stewards shall ensure ~~that~~ the horse is fed only hay, oats, and water during the quarantine period; and
- e. If the ~~state~~ Division veterinarian is satisfied that the horse's ~~TCO₂~~ TCO₂ concentration, as registered in the original test, is physiologically normal for the horse, the stewards shall:
 - i. ~~Permit~~ Allow the horse to race; or
 - ii. Require ~~that~~ the quarantine procedure in this subsection be repeated to verify that the horse's ~~TCO₂~~ TCO₂ concentration is physiologically normal.

6. The provisions under subsection (M) regarding split samples do not apply to a test sample collected for TCO₂ measurement.

M.L. ~~Blood and gene doping agents~~ Out-of-competition testing.

1. The ~~Department~~ Division may ~~subject~~ require a horse at a location under the ~~Department's~~ Division's jurisdiction or under the care or control of a licensee to ~~testing for blood and gene doping agents~~ be tested for drugs.
2. The ~~state~~ Division veterinarian is authorized to:
 - a. Take a ~~urine, blood, or hair~~ test sample from a horse ~~to test for blood and gene doping agents~~;
 - b. Select a horse for testing at random or with probable cause; and
 - c. ~~Conduct the sampling~~ Take the test sample at any time without advance notice.

3. The ~~Department~~ Division shall take disciplinary action against a licensee responsible for a horse if the results of ~~a test~~ an analysis conducted on a test sample obtained under subsection ~~(M)(2)~~ (L)(2) ~~shows~~ show the presence of:
 - a. Blood-doping agents including, but not limited to, Erthropoietin (EPO), Darbepoetin, Oxyglobin, Hemopure, Aransep, or any substance that abnormally enhances oxygenation of body tissues; ~~or~~
 - b. Gene-doping agents or the non-therapeutic use of genes, genetic elements, or cells that have the capacity to enhance athletic performance or produce analgesia;
 - c. Penalty class A drugs as listed in the Classification Guidelines;
 - d. A beta agonist present in any concentration in a sample taken from a quarter horse; or
 - e. AAS present in a sample in a horse not previously placed on the Veterinarian's List under subsection (J)(4).
4. A horse that tests positive in an out-of-competition sample for one of the drugs identified in R19-2-121(E)(4)(f) shall be placed on the stewards' list.
- 4.5. Subsection ~~(M)(3)~~ (L)(3) does not apply to a ~~therapeutic medication that has been~~ drug approved by the U.S. Food and Drug Administration for use in a horse.
- 5.6. A licensee at a location under the ~~Department's~~ Division's jurisdiction shall cooperate with a the Division veterinarian acting under subsection ~~(M)(2)~~ (L)(2) by:
 - a. Assisting to locate and identify a horse selected for testing,
 - b. Providing a stall or other safe location at which ~~samples~~ a test sample can be collected, and
 - c. Assisting the Division veterinarian to procure a the test sample properly.
7. A licensee that does not comply with subsection (L) or the Division veterinarian regarding a test sample may be subject to disciplinary action and, absent extenuating circumstances, a horse not presented to provide a test sample when notice is provided shall be placed on the stewards' list for at least 60 days.
- 6.8. A Division veterinarian who obtains a test sample under subsection ~~(M)(2)~~ (L)(2) shall split the sample as described in subsection ~~(N)~~ (M).

N-M Testing Test and split sample collection, preservation, shipment, and analysis.

1. Reporting to the test barn Track permittee responsibilities. A track permittee shall provide:
 - a. The trainer of an official winning horse, or a designee of the trainer, shall take the horse to the test barn immediately after the race to have blood and urine samples taken A test barn or other suitable location at which test samples can be collected and handled as specified in subsection (M)(2).

- b. ~~The Department or stewards shall order random or extra testing of any horse at a location under the Department's jurisdiction if the Department or stewards determine that the testing is in the best interest of racing. The trainer of a horse ordered to testing, or a designee of the trainer, shall take the horse directly, or at a time designated by the stewards or state veterinarian, to the test barn to have blood and urine samples taken.~~
 - e.b. A track security guard, who shall monitor access to the test-barn area during and immediately after each race or at any time a test sample is being collected. A The track security guard shall deny access person who wishes to enter the test-barn area shall unless the person seeking access:
 - i. ~~Be~~ Is at least 18 years old,
 - ii. ~~Be~~ Is currently licensed by the ~~Department~~ Division,
 - iii. ~~Display~~ Displays an identification badge issued by the ~~Department~~ Division, and
 - iv. ~~Have~~ Has a reason to be in the test-barn area that the ~~track security guard~~ Division veterinarian determines is legitimate.
2. ~~Sample collection~~ Division responsibilities.
- a. Primary test sample collection, preservation, and shipment. The state Division veterinarian or designee shall take blood and urine samples from a horse is responsible for collecting and preserving a test sample and shipping the test sample to the official laboratory. The portion of a test sample that is shipped to the official laboratory is called the primary test sample.
 - b. ~~The state veterinarian shall ensure that blood samples are taken at a consistent time, preferably within one hour after a race.~~
 - e.i. The state Division veterinarian shall determine the ~~minimum~~ optimum quantity of primary test sample required for testing to enable analysis of the primary test sample by the official laboratory and endeavor to collect enough test sample from a horse to fulfill the optimum quantity of primary test sample.:
 - i.ii. ~~If the sample obtained is less than the minimum required, the state veterinarian shall send the entire sample to the official laboratory; The Division veterinarian shall ensure test samples are taken at a consistent time and maintained in a manner that preserves the viability of the test sample for analysis. The Division veterinarian shall ensure a post-race sample collection is performed within one hour after a race.~~
 - iii. The Division veterinarian shall accurately complete a test sample ID card for each test sample, as specified in the RMTC, and ensure the test sample ID card establishes a link between the horse from which the test sample was obtained and the identification number of the test sample. The Division veterinarian shall adhere to procedures such as those

specified in the RMTC to ensure at no time during the analytical process is the official laboratory able to know or determine the identity of the horse or trainer associated with the specific test sample.

~~ii.iv.~~ If the sample obtained is more than the minimum required but less than twice the minimum required, the state veterinarian shall secure the portion of the sample that is greater than the minimum required as a split sample; and If a test sample obtained is less than or equal to the optimum quantity of primary test sample, the Division veterinarian shall ship the entire quantity of test sample obtained to the official laboratory.

~~iii.v.~~ If the sample obtained is more than twice the minimum required, the state veterinarian shall secure a portion of the sample equal to the minimum required as a split sample. The Division veterinarian shall ensure the primary test sample is packaged and shipped to the official laboratory within five days after collection using a method that is safe, secure, and maintains sample integrity.

~~3.b. Storage and shipment of split samples~~ Split sample collection, preservation, and shipment.

~~a.i.~~ The state Division veterinarian shall secure a split sample obtained under subsection (N)(2)(c) and make the split sample available for testing endeavor to collect from a horse both the optimum quantity of primary test sample and the optimum quantity of split test sample. If the Division veterinarian is unable to collect a test sample large enough to provide both optimum test quantities, the Division veterinarian shall collect, as a split sample, the quantity possible not to exceed the optimum test quantity.

~~b.~~ To secure a split sample, the state veterinarian shall:

~~i.ii.~~ Maintain The Division veterinarian shall maintain both the primary and split sample in the test barn samples in the same manner as the portion of the sample from which it is split;

~~ii.iii.~~ Transfer After shipping the primary test sample to the official laboratory, the Division veterinarian shall transfer the split sample to a freezer at a secure location approved by the Department Division. when the portion of the sample from which it is split is packaged and shipped to the official laboratory;

~~iii.iv.~~ Ensure that The Division veterinarian shall ensure the split-sample freezer is closed and locked except when depositing or removing a split sample, conducting inventory of split samples, or checking the condition of split samples;

~~iv.v.~~ Maintain The Division veterinarian shall maintain a log that specifies the following information for each time the split-sample freezer is opened: name of each person present; purpose of opening the freezer; identification number of the split sample

deposited or removed; date and time the freezer is opened; time the freezer is closed; and verification that both locks were secure before and after opening the freezer; ~~and~~. If the Division veterinarian finds evidence the split-sample freezer malfunctioned or split samples are not frozen, the Division veterinarian shall record the information in the log and immediately report the information to the Division.

- ~~v. Document in the log and report immediately to the Department any evidence that the split sample freezer malfunctioned or split samples are not frozen.~~
 - vi. The Division veterinarian shall ensure a split sample is packaged and shipped for testing to a Division-approved laboratory within 72 hours after a written request for split-sample testing is delivered to the stewards.
 - vii. The Division veterinarian shall ensure the split sample is removed from the split-sample freezer, securely and safely packed for shipping in the presence of the trainer or owner of the horse from which the sample was obtained, and transported to the custody of a carrier charged with delivering the packed split sample to the Division-approved laboratory selected by the trainer or owner.
 - viii. The Division veterinarian shall prepare a chain-of-custody verification form containing the date and time the split sample was removed from the split-sample freezer, the identification number of the split sample, the name and address of the Division-approved laboratory selected by the trainer or owner of the horse from which the split sample was obtained, the name and address of the carrier charged with delivering the packed split sample to the laboratory, and the date and time custody of the packed split sample was transferred to the carrier.
 - ix. The Division veterinarian shall ensure both the Division veterinarian and the trainer or owner of the horse from which the split sample was obtained sign and date the chain-of-custody verification form affirming the information on the form is true and complete and there is no evidence of tampering with the packed split sample.
 - x. The Division veterinarian shall keep the original of the chain-of-custody verification form and provide a copy to the trainer or owner of the horse from which the split sample was obtained.
3. Trainer or owner responsibilities.
- a. When directed by a Division official, the trainer or owner of a horse shall ensure the horse is taken immediately to a location specified under subsection (M)(1) to provide a test sample.
 - ~~e.b. If the official laboratory determines that a sample submitted under this subsection tests positive for a foreign substance, the trainer or owner of the horse from which the sample was~~

- ~~obtained may, within 72 hours, deliver a written request to the stewards that the sample split from the sample for which the positive result was obtained be sent for testing by a Department approved laboratory selected by the trainer or owner. The trainer or owner who requests that a split sample be tested shall: Within 72 hours after receiving notice that a primary test sample contains a drug, the trainer or owner of the horse from which the primary test sample was obtained may ask that the split sample be tested at a Division-approved laboratory selected by the trainer or owner by sending a written request to the stewards.~~
- ~~i.c. Witness A trainer or owner who makes a request under subsection (M)(3)(b) shall witness the split sample being removed from the split-sample freezer, and packed for shipping, and transferred to the carrier charged with delivery of the package; A trainer or owner who fails to appear at the time and place designated by the Division veterinarian to witness a split sample being removed from the split-sample freezer and packed for shipping waives the right to split-sample testing.~~
- ~~ii.d. Be allowed to inspect the package containing the split sample to verify that the package has not been tampered with before transfer to the carrier charged with delivery of the package and is correctly addressed to the Department approved laboratory selected by the trainer or owner; Before the packed split sample is transfer to the carrier charged with delivering the package, the trainer or owner shall inspect the package to verify the package is properly sealed and correctly addressed to the Division-approved laboratory selected by the trainer or owner.~~
- ~~iii.e. Sign a The trainer or owner shall review and sign the chain-of-custody form provided by the Department Division verifying that the rights described under subsections (N)(3)(e)(i) and (ii) have been provided affirming the information on the form is true and complete and there is no evidence of tampering with the packed split sample; and~~
- ~~iv.f. Pay The trainer or owner who requests testing of a split sample shall pay for shipping and testing the split sample.~~
- ~~d. A trainer or owner who fails to appear at the time and place designated by the state veterinarian to witness a split sample being removed from the split-sample freezer, packed for shipping, and transferred to a delivery carrier waives the right to split sample testing.~~
- ~~e. The state veterinarian shall ensure that a split sample is packed and shipped for testing to a Department approved laboratory within 72 hours after a written request for split sample testing is delivered to the stewards under subsection (N)(3)(e).~~
- ~~f. When preparing a split sample for shipment, the state veterinarian shall ensure that:~~

- i. ~~The split sample is removed from the split sample freezer and packed for shipping in the presence of the trainer or owner of the horse from which the sample was obtained;~~
 - ii. ~~The split sample is packed for shipping in a safe and secure manner;~~
 - iii. ~~The exterior of the package containing the split sample is secured in a manner designed to prevent tampering; and~~
 - iv. ~~The package containing the split sample is transported to the location where custody is transferred to the carrier charged with delivering the package to the Department approved laboratory selected by the trainer or owner.~~
- g. ~~During the process of retrieving, packing, and shipping a split sample, the state veterinarian shall prepare a chain of custody verification form containing the following information:~~
- i. ~~Date and time the split sample is removed from the split sample freezer,~~
 - ii. ~~Number of the split sample,~~
 - iii. ~~Address of the Department approved laboratory selected by the trainer or owner of the horse from which the split sample was obtained,~~
 - iv. ~~Name of the carrier charged with delivering the package,~~
 - v. ~~Address at which custody of the package is transferred to the carrier charged with delivering the package, and~~
 - vi. ~~Date and time that custody of the package is transferred from the Department to the carrier charged with delivering the package.~~
- h. ~~The state veterinarian shall ensure that both the state veterinarian and the trainer or owner of the horse from which the split sample was obtained sign the chain of custody verification form indicating that:~~
- i. ~~The correct split sample was removed from the split sample freezer,~~
 - ii. ~~The split sample was packed in accordance with subsection (N)(3)(f)(ii),~~
 - iii. ~~The package containing the split sample was correctly addressed to the Department approved laboratory selected by the trainer or owner, and~~
 - iv. ~~There is no evidence of tampering on the package containing the split sample.~~
- i. ~~The state veterinarian shall keep the original of the chain of custody verification form and provide a copy to the trainer or owner of the horse from which the split sample was obtained.~~
4. ~~Frozen samples. As specified in the Department's contract with the official laboratory, the Department has authority to require the official laboratory to retain and preserve by freezing the left over portion of a sample submitted for testing.~~

~~5.4. Laboratory minimum standards requirements. The official laboratory and any Department~~
Division-approved laboratory that conducts primary or split-sample testing shall meet the following minimum standards:

- a. ~~General adherence to the requirements for competence of testing and calibration~~ Accredited according to the standards specified by the International Organization for Standardization in ISO/IEC 17025, General requirements for the competence of testing and calibration laboratories;
- b. ~~Have~~ Has or ~~have~~ has access to liquid chromatograph and mass spectrometer instruments for screening and confirmation purposes; ~~and~~
- c. ~~Be~~ Is able to detect ~~medications, drugs, and other substances~~ at the specific concentration or regulatory threshold established by the Division; and
- d. Is able to retain and preserve by freezing any leftover portion of a sample submitted for testing if requested to do so by the Division.

5. General requirements.

- a. The stewards may randomly order testing not specifically listed in this Section on any horse at a location under the Division's jurisdiction if the Division or stewards determine the testing is in the best interest of racing.
- b. A drug violation is established when analysis of either the primary or split test sample indicates the presence of any quantity of a drug even if the analysis of both samples is not identical regarding the amount of the drug.
- c. A drug violation does not occur when the quantity of drug found in the primary test sample does not exceed the threshold established in the Classification Guidelines or when one test sample is conclusively positive and the other test sample is conclusively negative and there is no reasonable explanation for the variance.
- d. The Division shall not dismiss a disciplinary charge or violation because the Division veterinarian is unable to collect an optimum test quantity for either a primary or split test sample.
- e. The Division shall not dismiss a disciplinary charge or violation because the Division failed to follow a technical requirement in this Section unless the failure materially diminishes the probative value of a test result.

~~0.N.~~ Trainer responsibilities.

1. The trainer of a horse at a location under the ~~Department's~~ Division's jurisdiction shall:
 - ~~a.1.~~ Ensure that, if the horse ~~entered~~ is scheduled for or participates in an official workout, the horse is in adequate physical condition for the workout;

- ~~b.~~2. Ensure that, if the horse is entered in a race, the horse is in adequate physical condition to perform ~~creditably~~ at the distance entered;
- ~~e.~~3. Prevent administration ~~to the horse~~ of a prohibited ~~medication, drug, or other foreign substance~~ to the horse;
- ~~d.~~4. Prevent administration ~~to the horse~~ of a permitted ~~medication, drug, or other foreign substance~~ to the horse that would cause a test sample to be in excess of the maximum allowable concentration;
- ~~e.~~5. Maintain knowledge of the ~~medications, drugs, or other substances~~ administered to the horse;
- ~~f.~~6. Report immediately to the stewards and state Division veterinarian knowledge of or reason to believe a prohibited ~~medication, drug, or other foreign substance~~ has been administered or a permitted ~~medication, drug, or other foreign substance~~ has been administered in an amount that would cause a test sample to be in excess of the maximum allowable concentration;
- ~~g.~~7. Maintain an assigned stable area in a clean, neat, and sanitary condition at all times;
- ~~h.~~8. Use the services of only a veterinarian licensed by the ~~Department~~ Division while at a location under the ~~Department's~~ Division's jurisdiction;
- ~~i.~~9. ~~Ensure~~ Maintain the proper identity, custody, care, health, and safety of the horse;
- ~~j.~~10. Ensure ~~that~~ the horse has a valid health certificate and a negative Equine Infectious Anemia test certificate on file with the ~~racine secretary~~ Racing Secretary;
- ~~k.~~11. Report gelding of the horse no later than the time of entry to the horse identifier and ~~racine secretary~~ Racing Secretary ~~if the horse is gelded~~;
- ~~l.~~12. Report immediately to the state Division veterinarian when the horse has a reportable disease or unusual incidence of a communicable illness;
- ~~m.~~13. Report immediately to the stewards and state Division veterinarian when the horse ~~has a serious injury or~~ dies;
- ~~n.~~14. Comply with the provisions in subsection ~~(R)~~(Q) governing postmortem examination;
- ~~o.~~15. Ensure ~~that~~ an entered horse is present at the horse's assigned stall for the pre-race inspection prescribed under subsection ~~(P)~~(O);
- ~~p.~~16. Ensure ~~that~~ the horse has proper bandages, equipment, and shoes;
- ~~q.~~ Be ~~present in the paddock at least 17 minutes before post time of a race for which the horse is entered or another time designated by the stewards~~;
- ~~r.~~17. Supervise saddling the horse in the paddock unless excused by the stewards;
- ~~s.~~18. ~~Attend,~~ Witness or ensure ~~that~~ the owner or a licensed ~~employee~~ designee of the owner ~~attend,~~ witnesses the collection of a ~~blood or urine~~ test sample from the horse; and

~~19.~~ Report no later than the time of entry to the ~~state~~ Division veterinarian and ~~racing~~ secretary Racing Secretary that a mare is in foal.

- ~~2.~~ If the official laboratory reports that a horse tests positive for a prohibited medication, drug, or other foreign substance or for a permitted medication, drug, or other substance in excess of the maximum allowable concentration, the Department shall view the positive test as prima facie evidence that the trainer of the horse violated subsection (O)(1).
- ~~3.~~ A trainer whose horse has been claimed shall comply with all provisions of subsection (O)(1) until after the race in which the horse was claimed.

P.O. Physical inspection of horses.

1. A horse entered in a race at a location under the ~~Department's~~ Division's jurisdiction is subject to inspection by a veterinarian before the race.
2. A pre-race inspection of an entered horse shall be conducted by the track veterinarian.
3. The trainer of an entered horse or a ~~representative~~ designee of the trainer shall present the horse for pre-race inspection as required by the Division or track veterinarian. The trainer shall ensure that when the horse is presented for pre-race inspection:
 - a. All bandages are removed,
 - b. The horses' legs are clean,
 - c. The horse has not been placed in ice before the inspection, and
 - d. No device or substance that might impede veterinary clinical assessment is applied to the horse.
4. The Division or track veterinarian shall ensure ~~that~~ a pre-race inspection of an entered horse includes the following:
 - a. Proper identification of the horse ~~inspected~~;
 - b. Observation of the horse in motion;
 - c. Manual palpation and passive flexion of both forelimbs;
 - d. Visual inspection of the entire horse and assessment of overall condition;
 - e. Observation of the horse in the paddock and saddling area, during the parade to post, and at the starting gate; and
 - f. Any other inspection the ~~state~~ Division veterinarian deems necessary.
5. The track veterinarian or a designee shall maintain and regularly update a health and racing soundness record of each horse inspected.
6. The trainer or owner of a horse at a location under the ~~Department's~~ Division's jurisdiction shall allow the ~~state~~ Division or track veterinarian to have access to the horse regardless of whether the horse is entered in a race.

7. If the ~~state~~ Division or track veterinarian determines ~~that~~ a horse is unfit for competition or is unable to determine the horse's racing soundness, the ~~state~~ Division veterinarian shall recommend to the stewards that the horse be scratched from a race in which the horse is entered.
8. If a horse is scratched from a race based on the recommendation of the ~~state~~ Division or track veterinarian, the veterinarian shall ensure ~~that~~ the horse is placed on the Veterinarian's List described in subsection ~~(Q)~~(P).

Q-P. Veterinarian's List.

1. The Division veterinarian shall oversee the Veterinarian List. The track veterinarian shall maintain the Veterinarian's List of all horses determined to be unfit to compete in a race due to:
 - a. ~~illness~~ Illness, physical distress, unsoundness, infirmity, or other medical condition;
 - b. Administration of a drug invoking a mandatory stand-down time, administration of shock-wave therapy, or a positive out-of-competition test; or
 - c. Other assessment of and determination by the Division or track veterinarian that the horse is unfit to race.
2. The trainer of a horse on the Veterinarian's List in any jurisdiction shall not enter the horse in a race unless approved by the track and ~~Department~~ Division veterinarians.
3. The trainer of a horse on the Veterinarian's List shall not enter the horse in a race until the horse has been on the Veterinarian's List at least 72 hours.
4. The track veterinarian shall ensure ~~that~~ a horse is removed from the Veterinarian's List only when the Division and track veterinarian determine ~~veterinarians determine~~ the condition that caused the horse to be placed on the Veterinarian's List is resolved ~~and the horse has been returned to racing soundness.~~
5. The trainer ~~or~~ and owner of a horse on the Veterinarian's List shall comply with all provisions of this Chapter including testing.

R-Q. ~~Postmortem Examination~~ examination.

1. The trainer or owner of a horse that dies or is euthanized at a location under the ~~Department's~~ Division's jurisdiction shall submit the horse for a postmortem examination if requested by the ~~Department~~ Division.
2. If required under subsection ~~(R)(1)(Q)(1)~~ to submit a horse to the ~~Department~~ Division for postmortem examination, the trainer or owner of the horse shall:
 - a. ~~ensure that~~ Ensure all shoes and equipment are left on the horse's legs; and
 - b. Pay all costs for transporting the horse and conducting the postmortem examination unless the permittee assumes these costs because the fatality or injury requiring euthanasia occurred on the track of the permittee grounds.

3. If an analysis of ~~blood, urine, bodily fluids, or other biologic specimens~~ test samples collected during a postmortem examination shows the presence of a prohibited ~~medication, drug, or other substance~~ or a permitted ~~medication, drug, or other substance~~ in excess of the maximum allowable concentration in the horse's body, the ~~Department~~ Division shall take disciplinary action allowed under A.R.S. Title 5, Chapter 1 and this Chapter against the trainer or owner of the horse.
4. In proceeding with a postmortem examination of a horse, the ~~Department~~ Division shall coordinate with the horse's owner or authorized agent to determine and address any insurance requirements.

R19-2-121. Officials

A. Generally.

1. In this Article, the term track official means the following persons employed by the permittee and approved and licensed by the ~~Department~~ Division: Director of Racing, one steward, outriders, pari-mutuel manager, patrol judges, clerk of the scales, starter, timer, placing judge, paddock judge, track veterinarian, track superintendent, ~~racing secretary~~ Racing Secretary, assistant racing secretary, handicapper, horsemen's bookkeeper, jockey room custodian, ~~and~~ chief of security, ~~and~~ any other person designated by the Division as a track official including those appointed for a county fair race meet.
2. The term ~~Department~~ Division official means the following persons appointed by the ~~Department~~ Division: ~~two~~ stewards, state pari-mutuel supervisor, ~~state veterinarian~~ Division veterinarians, identifier, and investigator. ~~Other track officials may be appointed by the Department for a county fair race meet.~~
3. A person may serve in more than one position as a track or ~~Department~~ Division official if the person is licensed in each position, ~~can do so without detriment to any of the other~~ competently fulfill the responsibilities of multiple positions, and the person has the consent and approval of the ~~Department~~ Division except that neither the ~~racing secretary~~ Racing Secretary nor the ~~permittee director of racing~~ Director of Racing may serve as a steward.
4. A ruling by the stewards is controlling if made by a majority of the stewards participating in making the ruling.
5. Vacancies.
 - a. When a vacancy occurs among officials other than stewards, the stewards shall fill the vacancy before post time of the first race of the day or immediately if the vacancy occurs after post time of the first race. An appointment made by the stewards is effective only for the

day on which the appointment is made unless the permittee fails to fill the vacancy on the following day and notifies the stewards of its action not less than one hour before post time of the first race of the following day. A permittee shall promptly report the appointment of an official to the ~~Department~~ Division.

- b. As required under subsection (E)(1), three stewards shall view the running of a race. If a vacancy occurs among the stewards, the stewards present shall appoint one or two persons to serve as temporary stewards. The stewards making an appointment under this subsection shall report the appointment in writing to the ~~Department~~ Division.
 - c. In case of emergency, the stewards may appoint a substitute official to fill a vacancy for only as long as the emergency exists.
6. The ~~Department~~ Division shall not license or appoint ~~minors a minor~~ as ~~officials~~ an official.
 7. A person with a financial interest in the result of a race, such as an ownership interest in any entered horse or a wager, shall not act as an official at the race meet in which the race occurs.

B. Prohibited acts.

1. An official or an official's assistant shall not purchase pari-mutuel tickets on races.
2. An official or an official's assistant shall not consume alcoholic beverages while on duty.
3. An official shall not accept, directly or indirectly, a bribe, gift, or other form of gratuity that is intended to or might influence the results of a race or the conduct of a race meet.
4. An official or employee of a permittee shall not write or solicit horse insurance at a race meet.
5. An official or employee of a permittee at a race meet shall not buy or sell a contract upon a jockey or apprentice jockey for another official or employee of ~~a~~ the permittee or for another individual, either directly or indirectly.

C. An official, ~~or~~ employee ~~or~~ of a permittee, or a permittee shall report all observed violations of this Chapter to the stewards.

D. Complaints.

1. A person with a grievance or complaint against a track official, an employee of the permittee, or a licensee shall submit the grievance or complaint in writing to the stewards within five days ~~of~~ after the alleged act or omission giving rise to the grievance or complaint. The stewards shall consider the matter, take appropriate action, and make a full written report of the stewards' action to the ~~Department~~ Division.
2. A person with a grievance or complaint against an official or employee of the ~~Department~~ Division shall report the grievance or complaint in writing to the Director ~~or designee~~ within five days ~~of~~ after the alleged act or omission giving rise to the grievance or complaint.

3. The ~~Department~~ Division shall take disciplinary action allowed under A.R.S. Title 5, Chapter 1 against an official or employee of the ~~Department~~ Division who fails to comply with A.R.S. Title 5, Chapter 1 and this Chapter.
4. A person aggrieved by a disciplinary action taken under subsection (D)(1) or (D)(3) may appeal the action under R19-2-123 or R19-2-124, as applicable.

E. Stewards.

1. Two stewards appointed by the Director, and one steward appointed by the permittee and licensed by the ~~Department~~, Division shall supervise each race meet.
 - a. The stewards shall be in attendance at the office of the ~~racine secretary~~ Racing Secretary or on the grounds of the permittee on any day in which entries are being taken or racing is being conducted and represent the ~~Department~~ Division in all matters pertaining to ~~the enforcement enforcing and interpretation of interpreting~~ this Chapter.
 - b. The stewards shall advise the Director of all hearings and rulings made.
 - c. If a steward is unable to perform the steward's duties for more than one day, the steward shall immediately notify the Director so an alternate steward may be named to act in the steward's place. The alternate steward may serve until replaced or removed by the Director. The Director shall ensure the alternate steward is qualified to serve as a steward and may allow the alternate steward to serve for a maximum of six months without being certified as specified under A.R.S. § 5-106(J).
2. The stewards shall enforce A.R.S. Title 5, Chapter 1 and this Chapter.
3. The stewards shall maintain a stewards' list of the horses that are ineligible to be entered in a race because of poor or inconsistent performance, behavior on the racetrack that endangers the health or safety of other participant in racing, or a positive test for a drug identified in subsection (E)(4)(f).
 - a. The stewards may place a horse on the stewards' list if the stewards have reason to question the exact identification or owner of the horse and remove the horse from the stewards' list only when, in the opinion of the stewards, there is proof of the exact identification or owner of the horse.
 - b. The stewards may remove from the stewards' list a horse placed on the list because of poor or inconsistent performance or behavior on the racetrack that endangers the health or safety of other participants when the stewards believe the horse can perform competitively in a race without endangering the health or safety of other race participants.
 - c. The stewards shall immediately remove from the stewards' list a horse placed on the list because of a positive test for a drug identified in subsection (E)(4)(f) if testing of the split

sample from the horse does not confirm the finding of the official laboratory. If testing of the split sample from the horse confirms the finding of the official laboratory, the horse shall remain on the stewards' list until the following conditions are met:

- i. At least 60 days elapse from the date the horse is placed on the stewards' list;
- ii. A test sample is collected from the horse following the procedures in R19-2-120(M), including the owner pays for shipping and testing before the test sample is shipped; and
- iii. Results from testing the sample are negative for all drugs identified in subsection (E)(4)(f).

~~3.4.~~ The stewards shall interpret A.R.S. Title 5, Chapter 1 and this Chapter and decide all questions not specifically covered by A.R.S. Title 5, Chapter 1 and this Chapter. In all interpretations and decisions, an order of the stewards ~~supersede~~ supersedes an order of the permittee.

- a. The permittee shall allow stewards ~~shall have control over and~~ free access to all stands, weighing rooms, enclosures, and all other places within the grounds of the permittee.
- b. The stewards shall investigate and ~~render~~ make a decision promptly on each objection properly made to them under R19-2-117. ~~Even if all stewards agree on a ruling, only a majority need to sign the ruling.~~
- c. The stewards shall supervise all entries and declarations. The stewards may refuse entries or the transfer of entries for violation of A.R.S. Title 5, Chapter 1 or this Chapter.
- d. The stewards shall regulate and control the conduct of officials and other persons attending or participating in a race meet except the stewards are not responsible for investigating or enforcing a suspected violation of criminal law.
- e. When necessary to maintain safety and health conditions and protect public confidence in the sport of racing, the stewards shall:
 - i. Authorize a person to enter in or on the grounds of a permittee and examine the buildings, stables, rooms, motor vehicles, trailers, or other places within the grounds ~~of a~~ permittee;
 - ii. Inspect and examine the person, personal property, and effects of any person within the grounds ~~of~~ of a permittee; ~~and~~
 - iii. Seize any ~~items~~ illegal item including those prohibited under R19-2-112(7) or (8) or any other illegal article; and
 - iv. Notify an appropriate law enforcement agency regarding a suspected violation of criminal law.
- f. ~~Under subsection (E)(6), the stewards may impose a civil penalty in an amount not to exceed \$2,500 on any person subject to the stewards' control for violation of A.R.S. Title 5, Chapter~~

- ~~1 or this Chapter. After a hearing, the stewards may suspend a person violating A.R.S. Title 5, Chapter 1 or this Chapter for up to six months and may rule off a licensee violating A.R.S. Title 5, Chapter 1 or this Chapter. The stewards may impose both a civil penalty and suspension for the same violation. The stewards may refer any ruling made by the stewards to the Director, recommending further action, including license revocation.~~
- ~~g.f.~~ If a laboratory report regarding a test sample from a horse or other evidence shows the administration or presence of a foreign substance prohibited drug or a drug in excess of a permitted concentration, the stewards, stewards' designee, or investigative personnel shall immediately investigate the matter and may disqualify the horse, suspend the trainer or other person involved, refer the matter to the Director, and impose a fine. The stewards shall immediately place a horse on the stewards' list if the laboratory report indicates one or more of the following drugs are present in the horse's test sample:
- i. A drug categorized as a penalty Class A drug by the Classification Guidelines;
 - ii. A prohibited AAS or an AAS in excess of the permitted concentration listed in R19-1-120(J)(2);
 - iii. Clenbuterol or other beta-agonist drug with significant anabolic effects that is not currently categorized as a penalty Class A drug by the Classification Guidelines;
 - iv. A drug designed to promote growth or muscle including, but not limited to, growth hormones, somatotropins, insulin growth factors, and gene modifying agents; and
 - v. Colbalt in excess of the allowable threshold concentration.
- ~~h.g.~~ Every If a person is ejected or excluded or an entry is expelled or ruled off by any recognized turf authority for fraudulent or improper practice or conduct is ruled off all permittee locations in the state by a recognized turf authority, the stewards shall enforce the ejection or exclusion or ruling off at every location under the jurisdiction of the Division.
- ~~i.h.~~ Under A.R.S. § 5-104(I), the stewards have authority to suspend a person's license. Unless specifically ordered otherwise, if the stewards suspend one license held by an individual a person, all licenses held by the individual person are suspended for the term of the suspension.
- ~~j.i.~~ When a person person's license is suspended, the stewards shall rule off every horse wholly or partly owned by the person for as long as the person's license suspension continues. The suspended person shall not, whether acting as agent or otherwise, subscribe for, enter, or run a horse in any race, in either the person's name or that the name of another person. The stewards shall disqualify a horse if the horse is wholly or partly owned by the suspended person or under the suspended person's care, management, training, or supervision, or the

suspended person has an interest in the horse's winnings. ~~At the time it is discovered, the~~ The stewards shall void an entry from a suspended person or of a horse that stands ruled off. The suspended person shall forfeit ~~the~~ any entry or subscription money and return ~~the~~ any money or prize won.

- j. If the license of a trainer is suspended, the suspended trainer shall not benefit financially during the period of suspension. Only the owner of a horse in the custody, care, or control of a suspended trainer is allowed to transfer custody, care, or control of the horse to another person.

4.5. The stewards may excuse a horse that has left the paddock for the post if the stewards consider the horse to be disabled or unfit to run. In claiming races, if there is a claim entered on an excused horse, the claim is invalid.

5.6. The stewards shall determine the finish of a race by the relative position of the noses of ~~each~~ horse ~~the~~ horses. At the end of a race, the stewards shall immediately notify the pari-mutuel department of the numbers of the first four horses.

- a. The stewards shall promptly display the numbers of the first four horses in each race in the order ~~that~~ they finished. If the stewards differ as to the order in which the horses finished, the conclusion of the majority of the stewards shall prevail.
- b. The stewards may review a photo-finish picture provided by the permittee to aid the stewards in determining the finish of a race.
 - i. ~~If~~ The stewards shall make the final decision regarding the finish of a race even if the photo-finish picture furnished by the permittee is not adequate or usable, the stewards shall make the final decision.
 - ii. If the stewards consider it advisable to review the photo-finish picture, the stewards may post the placements ~~that~~ the stewards determine are unquestionable without waiting for a picture. After reviewing the picture, the stewards shall make the other placements. The stewards shall not declare the race official until the stewards have determined which horses finished first, second, third, and fourth.
- c. The stewards shall correct an error before the display of the official sign or recall the official sign if it is displayed through error.

6.7. The stewards shall adhere to the following procedure when the stewards have reason to believe ~~that~~ a person has violated A.R.S. Title 5, Chapter 1 or this Chapter:

- a. The stewards shall summon the person to a hearing with all the stewards present;
- b. The stewards shall give no less than 24-hours' written notice of the hearing to the person, using a form supplied by the ~~Department~~ Division, unless the person requests a hearing

- sooner and the stewards agree to the request. The stewards shall note the time and date the notice is issued on the notice, and the person notified shall sign the notice and return the notice to the stewards. The stewards shall retain the original notice and include the notice as part of the case file. The stewards shall give a copy of the notice to the person summoned;
- c. Except as provided in subsection ~~(E)(6)(g)~~ (E)(7)(h), the stewards shall not impose a penalty without a hearing;
 - d. If a summoned person fails to appear at a scheduled hearing, the person waives the right to a hearing before the stewards and the hearing may proceed without the person's presence;
 - e. The stewards shall permit the summoned person to present witnesses on the person's behalf;
 - f. The stewards shall take appropriate action, including suspension, civil penalty, or both, if there is substantial evidence ~~to find~~ a violation of A.R.S. Title 5, Chapter 1 or this Chapter occurred. Additionally, the stewards may require the summoned person to forfeit any purse monies due to the summoned person from associated races. The stewards shall promptly forward the written decision or ruling to the Director and to the summoned person;
 - g. The stewards may summarily declare a horse scratched ~~and may suspend a license pending a stewards' hearing if the stewards make a specific finding that the action is in the best interest of the public health, safety, and welfare; for the following reasons:~~
 - i. The horse cannot run for three days since the horse's last race without approval from the stewards; or
 - ii. Any other reason the stewards determine is appropriate;
 - h. The stewards may summarily suspend a license, pending a hearing before the stewards, if the stewards make a specific finding that the action is in the best interest of public health, safety, and welfare;
 - ~~h.i.~~ The stewards shall recover and forward to the ~~Department~~ Division any license the stewards suspend;
 - ~~i.j.~~ The stewards shall act by majority vote on all matters within the stewards' jurisdiction. If all stewards agree on a ruling, only a majority is required to sign the ruling; and
 - ~~j.k.~~ The stewards have the power to modify, change, or remit any ruling imposed by the stewards; and.
8. Actions taken by the stewards under subsection (E)(7)(f) are subject to the following limitations:
- a. A civil penalty imposed by the stewards shall not exceed \$2,500 on a person subject to the stewards' control;

- b. After a hearing, the stewards shall not suspend the license of a person subject to the stewards' control for more than six months. The stewards may eject or exclude the suspended licensee under A.R.S. § 5-117;
- c. The stewards may impose both a civil penalty and license suspension for the same violation of A.R.S. Title 5, Chapter 1 or this Chapter; and
- d. The stewards may refer a ruling to the Director with a recommendation of further action including license revocation, increase of civil penalty, or rehabilitation treatment at the expense of the suspended licensee.

~~k-9.~~ A licensee shall promptly pay to the ~~Department~~ Division any civil penalty imposed by the stewards for deposit with the state treasurer.

~~7-10.~~ ~~During a term of suspension~~ While the license of an owner, trainer, or other person at a location under the jurisdiction of the ~~Department~~ Division is suspended, the stewards and permittee shall ensure ~~that a~~ the ruling against the owner, trainer, or other person is enforced.

11. If the stewards or Division believe a licensee may have committed a crime, the Division shall refer the matter to an appropriate law enforcement agency. Administrative action taken by the stewards or Division does not prohibit criminal prosecution. Criminal prosecution does not prohibit administrative action by the stewards or Division.

F. Racing ~~secretary~~ Secretary.

1. The ~~raci~~ng ~~secretary~~ Racing Secretary shall report to the stewards all violations of A.R.S. Title 5, Chapter 1 and this Chapter or of the regulations of the permittee that come to the ~~raci~~ng ~~secretary's~~ attention of the Racing Secretary.
2. The ~~raci~~ng ~~secretary~~ Racing Secretary shall keep a complete record of all races.
3. The ~~raci~~ng ~~secretary~~ Racing Secretary or authorized representative shall inspect all documents dealing with owners and trainers, partnership agreements, appointments of authorized agents, and adoption of stable names. The ~~raci~~ng ~~secretary~~ Racing Secretary may demand production of the documents to verify ~~their validity and authenticity~~ the documents are valid and authentic and ~~to ensure that~~ have been followed.
4. The ~~raci~~ng ~~secretary~~ Racing Secretary shall write the conditions of all races and publish the conditions sufficiently before closing time for entries to allow the conditions to be read by all owners and trainers. The ~~raci~~ng ~~secretary~~ Racing Secretary shall not alter the conditions of the races after closing time.
 - a. The ~~raci~~ng ~~secretary~~ Racing Secretary shall not write race conditions that conflict with A.R.S. Title 5, Chapter 1 or this Chapter.

- b. The ~~raeing secretary~~ Racing Secretary shall include in the race conditions or post a list of eligible horses before the time of entry for every graded quarter-horse race. The ~~raeing secretary~~ Racing Secretary shall not add a horse to this list after entering has begun without the consent of ~~those owners and trainers~~ who have previously entered eligible horses.
 - 5. The ~~raeing secretary~~ Racing Secretary or authorized representative shall act as the official handicapper in all races.
 - a. The ~~raeing secretary~~ Racing Secretary or authorized representative shall assign weight to all horses entered in a handicap race.
 - b. The ~~raeing secretary~~ Racing Secretary or authorized representative shall post the weights assigned in a handicap race before 10:30 a.m. on the day set for publication.
 - 6. The ~~raeing secretary~~ Racing Secretary shall determine the character and condition of substitute and extra races and submit the substitute and extra races to the stewards for approval.
 - a. If a stakes or overnight handicap race does not fill, the unfilled race may be replaced by another overnight race carrying a guaranteed purse consistent with the daily average purse.
 - b. If a race is canceled, the ~~raeing secretary~~ Racing Secretary may split any race programmed for the same day that previously was closed.
 - c. The ~~raeing secretary~~ Racing Secretary shall give preference to races printed in the condition book over substitute and extra races.
 - 7. The ~~raeing secretary~~ Racing Secretary or ~~designee~~ authorized representative shall conduct the drawing of horses in all races and immediately post an overnight listing of the horses in each race.
 - 8. The office of the ~~raeing secretary~~ Racing Secretary shall keep the preferred list of all horses.
 - 9. The ~~raeing secretary~~ Racing Secretary shall not allow a horse to start in a race unless the horse is entered in the name of the legal owner and the owner's name appears on the back of the horse's registration papers or on a legal lease or bill of sale attached to the horse's registration papers.
 - 10. A licensee shall not access behind the Racing Secretary's desk. If a licensee accesses behind the Racing Secretary's desk, the Racing Secretary or authorized representative shall immediately report the violation to the stewards for appropriate disciplinary action.
- G.** Assistant racing secretary. The assistant racing secretary shall, under the ~~raeing secretary's~~ Racing Secretary's supervision, assist the ~~raeing secretary~~ Racing Secretary to perform the ~~raeing secretary's~~ Racing Secretary's duties.
- H.** Starter.
- 1. The starter has authority to:
 - a. ~~Complete jurisdiction over the starting of any field of horses,~~ Recommend to the stewards that a horse be scratched from the field;

- b. ~~Authority to give~~ Give orders necessary to ensure a fair start, ~~and;~~
 - c. ~~Authority to recommend~~ Recommend to the stewards that a person be fined or suspended for violating the starter's orders; and
 - d. Supervise the gate crew and ensure all proper safety equipment, approved by the Division, is worn at all times.
2. The starter may place a horse on a schooling list. The ~~racine secretary~~ Racing Secretary shall not accept an entry on a horse until the horse is removed from the schooling list by the starter.
 3. The starter may recommend to the stewards that a horse be ruled off if the horse is unmanageable at the starting gate or refuses to break properly, after a reasonable schooling period.
- I.** Starter's assistant.
1. The starter's assistant may help horses into the starting gate.
 2. The starter's assistant may handle or otherwise restrain unruly or fractious horses before the start.
- J.** Clerk of the scales.
1. The clerk of the scales ~~include~~ shall:
 - a. Weigh all jockeys out and in;
 - b. Post promptly, as described in subsection (J)(1)(d), the names of jockeys who are overweight at weigh out;
 - c. Notify a trainer ~~that~~ if the trainer's jockey is overweight;
 - d. Report all late scratches, changes in riders, overweight jockeys, and corrected weights for posting on a bulletin board or in digital format located in a place conspicuous to the wagering public; and
 - e. Record winning records of apprentice jockeys and attest to the date and track on the jockey's apprentice certificate.
 2. ~~A jockey~~ The clerk of the scales shall not allow a jockey to pass the scale at weigh out more than seven pounds overweight without consent of the stewards.
 3. ~~A~~ The clerk of the scales shall report to the stewards if a jockey shall not be is more than one pound ~~short~~ underweight at weigh in.
 4. The clerk of the scales shall report to the stewards any violation of weight requirements or any attempt to alter specified weights.
 5. The clerk of the scales or authorized designee shall maintain security for the jockeys' quarters and prohibit any person other than jockeys or racing officials from accessing the jockeys' quarters.
- K.** Paddock judge. The paddock judge shall:
1. Check all contestants for each race,

2. Keep a record of all equipment carried by all horses in each race under the paddock judge's jurisdiction,
3. Not allow a change of equipment unless the change is approved by the stewards;
4. Ensure that only the owner or trainer of a horse or an employee of the owner or trainer touch a horse in the paddock without permission of the paddock judge;
5. Maintain the paddock judge's list of horses that are unruly in the paddock; and
- ~~5-6.~~ Report any irregularities to the stewards.

L. Patrol judge.

1. ~~The~~ A patrol judge shall:
 - a. View the portion of the track allotted to the patrol judge, and
 - b. Report to the stewards any irregular incident occurring during a race.
2. The stewards may require a patrol judge to submit a written report on each race.
3. The number of patrol judges in use at a track may vary with the size of the track and need to ensure clean racing.

M. Timers. Timers shall accurately record:

1. ~~Accurately record the~~ The time of each race, and
2. ~~Accurately record the~~ The fractional times of each race, if required, ~~and~~
3. ~~Use an electrical timing device,~~ approved by the Department in all races restricted to quarter horses.

N. Jockey room custodian. The jockey room custodian shall:

1. Maintain the jockey room in proper order as a restricted area;
2. ~~Ensure that~~ Assist jockeys to conduct themselves in accordance with A.R.S. Title 5, Chapter 1 and this Chapter;
3. ~~Ensure that~~ Assist jockeys are to be on time for races;
4. Supervise ~~the~~ valets employed to assist the jockeys;
5. Assist the clerk of scales to ensure jockeys have proper equipment and carry the correct weight; and
6. Report immediately to the stewards any horse's colors not in the jockey room custodian's possession for the day's racing.

O. Horsemen's bookkeeper.

1. The horsemen's bookkeeper shall receive all stakes, forfeits, entrance monies, fees (including jockey fees), and purchase money in claiming races.

2. The horsemen's bookkeeper shall pay all money on deposit to the persons entitled to ~~it~~ the money within 14 days after the close of a race meet but only if the person has submitted all appropriate tax forms including a W-9 form.
3. The horsemen's bookkeeper and any authorized signer on financial accounts shall ~~be bonded~~ maintain a bond in an amount determined by the Director.
4. The horsemen's bookkeeper shall segregate and hold as trust funds all fees paid in added money events, early closing events, stakes, and futurities until the event is contested. The horsemen's bookkeeper shall submit proof of segregation by bank letter or bank statement to the ~~Department~~ Division through the bank's authorized representative.
5. The horsemen's bookkeeper shall not pay purse money earned by a horse to anyone except the horse's ~~registered~~ registered with the Racing Secretary or the owner's authorized agent. The ~~Department~~ Division shall authorize the release of purse monies only after the results of ~~laboratory~~ analysis of test samples are obtained.
6. If the stewards notify the horsemen's bookkeeper that there is an objection or a post-race test sample tests positive for a ~~foreign substance~~ drug, the horsemen's bookkeeper shall hold the purse monies until the ~~Department~~ Division authorizes release of the purse monies.

P. Veterinarians.

1. The ~~Department~~ Division shall approve at least two official veterinarians who are licensed to practice veterinary medicine by the ~~state of~~ Arizona State Board of Veterinary Medical Examiners. All official veterinarians employed by the Division are called Division veterinarians. All official veterinarians employed by the permittee are called track veterinarians. Each permittee shall employ one of the official veterinarians, who is called the track veterinarian. The Department shall employ the other official veterinarian, who is called the state veterinarian.
2. Regardless of employer, any veterinarian engaged in the practice of veterinary medicine at a location under the jurisdiction of the Division shall be in good standing and licensed by the Arizona State Board of Veterinary Medical Examiners and the Division.
- ~~2.3.~~ The ~~state~~ Division veterinarian shall be in charge of collecting all sample collection test samples.
- ~~3.4.~~ An official veterinarian shall inspect each horse in the receiving barn or paddock and ~~shall~~ recommend to the stewards that a horse be scratched if the official veterinarian finds the horse is unsafe to race or physically unfit to produce a satisfactory result in a race.
- ~~4.5.~~ The track veterinarian shall examine all horses before a race.
- ~~5.6.~~ Either the ~~state veterinarian~~ Division or track veterinarian shall place a horse deemed to be unsafe, unsound, or unfit on a suspension list ~~approved~~ maintained by the stewards.

~~6.7.~~ A veterinarian ~~licensed by the Department~~ qualified under subsection (P)(2) and engaged in the private practice of veterinary medicine on the grounds of a permittee shall keep a written record of the veterinarian's private practice on the grounds of a permittee relating to horses participating in racing.

- a. The veterinarian shall include the following in the record:
 - i. The name of the horse treated,
 - ii. The nature of the horse's ailment,
 - iii. The type of treatment prescribed and performed for the horse, and
 - iv. The date and time of the treatment;
- b. The veterinarian shall keep the required record for the practice of veterinary medicine engaged in at all ~~licensed~~ tracks under the jurisdiction of the Division; and
- c. The veterinarian shall produce the record without delay on request of the stewards or the ~~Department~~; Division.
- ~~d. A veterinarian engaged in private practice at a location under the jurisdiction of the Department shall be licensed by the Arizona State Board of Veterinarian Medical Examiners and the Department;~~
- ~~e. A veterinarian who administers to or prescribes for horses on the premises of a permittee shall be licensed by the Department except, as specified in R19-2-120(A)(2)(g), in case of emergency; and~~

~~f.~~8. When recommended by the state Division veterinarian, the ~~Department~~ Division shall evaluate new and experimental ~~medications and~~ drugs and determine whether the ~~medications and~~ drugs may be used on the grounds of a permittee.

~~7.9.~~ If an official veterinarian determines ~~that~~ an injured horse should be ~~destroyed~~ euthanized, the official veterinarian shall ~~destroy~~ euthanize the horse quickly, humanely, and out of sight of the public unless any delay will prolong suffering by the horse.

Q. Horse identifier.

1. The horse identifier or designee shall examine all horses registered for racing at tracks under the jurisdiction of the ~~Department~~ Division.
2. The horse identifier shall ensure ~~that~~ all horses starting at any track in Arizona are tattooed or identified by another means approved by the Division unless otherwise authorized by the stewards.
3. The horse identifier may make photographs or permanent identification records for horses ~~referred to in subsection (Q)(1)~~ registered for racing at tracks under the jurisdiction of the

Division. The horse identifier shall include the tattoo number, markings, cowlicks, dimples, and other characteristics on the horse's identification record.

R19-2-122. Transfers

- A. ~~Any~~ The Division shall accept only a notarized bill of sale or lease agreement or official judgment from a court of law as evidence of a change in the ownership or lease of a horse registered with the racing secretary Racing Secretary ~~must be effected by a bill of sale or lease agreement.~~
1. ~~A~~ The new owner or lessee of the horse shall file a copy of the bill of sale or lease agreement or official judgment from a court of law shall be filed in the track office of the ~~Department~~ Division and with the ~~racing secretary~~ Racing Secretary.
 2. The new owner or lessee of the horse shall advise the stewards ~~shall be advised of any the change in the ownership~~ owner or lessee or trainer and, if applicable, transfer of a the horse registered with the racing secretary to a new trainer.
 3. A horse shall not be transferred to a new trainer after entry.
 4. More than one owner may be indicated on the official race program by the use of the name of one owner and the phrase "et al."
- B. If a horse is sold with all or part of its engagements ~~or any part of them~~, the seller shall not attempt to strike # the sold horse from such the engagements.
1. In ~~all a private sales~~ sale of a horse, the written acknowledgment of both ~~parties~~ the seller and buyer that the horse was sold with all, or part of, its engagements is necessary to entitle the seller or buyer to the benefit of this ~~rule~~ Section. If certain of the horse's engagements are specified in the sales agreement, only ~~those the specified~~ engagements so specified shall be ~~are~~ sold with the horse.
 2. ~~In all~~ At a public auctions auction, the advertised conditions of the sale are sufficient evidence ~~of that the sale with all of a horse includes~~ engagements. If certain of the horse's engagements are specified in the conditions of the sale, only ~~those the specified~~ engagements so specified shall be ~~are~~ sold with the horse.
 3. If a horse is transferred with ~~its~~ some or all of the horse's engagements, ~~that the horse shall not be eligible to start in any stakes race unless, at the time of or before the running of the stakes race or prior thereto, evidence of the transfer of the horse and it's the transferred engagements is exhibited upon demand to the racing secretary~~ Racing Secretary.
 4. ~~No transfer of a horse or an engagement shall be made for the purpose of avoiding disqualification.~~ The owner of a horse that has a suspended license or is ineligible to be licensed shall not attempt to avoid disqualification by transferring or attempting to transfer the horse or an engagement of the horse.

R19-2-123. Procedure before the ~~Department~~ Division

A. Appeal of stewards' rulings and referrals.

1. A person aggrieved by a ruling of the stewards may appeal to the Director. ~~An appeal~~ The appellant shall be filed file the appeal in writing to the office of the Director within three days after receipt of the steward's ruling or within five days after receipt of the stewards' ruling if the appeal is from an ejection or exclusion under R19-2-124.01.
2. ~~An appeal~~ The appellant or the appellant's attorney shall be signed by the person making the appeal or by the person's sign the appeal attorney and shall contain ensure the appeal contains the grounds for appeal and the reasons for believing the person appellant believes the appellant is entitled to a hearing or, if the appeal is from an ejection or exclusion, believes the stewards' ruling should be reversed or modified.
3. The stewards may refer any ruling to the Director, recommending further action, including revocation of a license suspended by the stewards. ~~On receipt of~~ When a referral is received, the Director shall review the record and may affirm, reverse, or modify the stewards' ruling or conduct other proceedings the Director deems appropriate.
4. If the Director decides that a hearing or other proceeding is appropriate, the Director shall ~~fix a time and place for a~~ schedule the hearing or other proceeding and. ~~The Director shall give at least 30 days' written notice of the scheduled hearing or other proceeding to the appellant at least 30 days before the date set for the hearing unless the 30 days' notice is waived in writing by the appellant.~~

B. Appeal of stewards' inquiry and objection rulings.

1. ~~Failure of~~ If the stewards fail to convene a hearing within 10 days after an objection is made, the person making the objection may assume the objection was denied and may appeal the denial shall be deemed a denial that may be appealed by filing a written appeal to with the office of the Director within 10 days after the date the objection is denied.
2. ~~A person making an appeal~~ The appellant or the person's appellant's attorney shall sign the appeal and ensure that it contains the grounds for appeal and reasons for believing the person appellant is entitled to a hearing.
3. After an appeal is filed under subsection (B)(2), the Director shall ~~fix a time and place for~~ schedule a hearing or refer the matter to a hearing officer. ~~The Director shall and give 30 days' written notice of the hearing to the appellant at least 30 days before the date set for the hearing unless the 30 days' notice is waived in writing by the appellant.~~
4. Nothing contained in this Section shall affect distribution of pari-mutuel pools.

5. The ~~Department~~ Division shall retain purse money affected by an appeal until an order regarding the appeal is issued by the Director.

C. License denial, suspension, or revocation.

1. The Director may deny a license without prior notice to a license applicant. However, if the applicant files an appeal with the Director within 30 days after receipt of the denial notice, the Director shall ~~fix a time and place for~~ schedule a hearing on the matter and give 30 days' written notice of the hearing to the applicant ~~at least 30 days before the date set for the hearing,~~ unless the 30 days' notice is waived in writing by the applicant.
2. The Director may revoke or, independently of the stewards, suspend a license only after giving the licensee notice and opportunity for hearing. The Director shall give 30 days' written notice of the hearing ~~at least 30 days before the date set for hearing~~ unless the 30 days' notice is waived in writing by the licensee.
3. Unless specifically ordered otherwise, if the Director suspends one license held by ~~an individual a~~ person, all licenses held by the ~~individual~~ person are suspended for the term of the suspension.

D. Director's hearings.

1. ~~A party appearing before the~~ The Director or the Director's designee shall ~~be afforded~~ provide a party appearing before the Director an opportunity ~~to~~ for a hearing, ~~and~~ to respond and present evidence, and to present argument on all issues.
2. An individual appearing before the Director or the Director's designee ~~has the right to~~ may appear in person or by counsel. A ~~corporation~~ business entity appearing before the Director shall appear only through counsel. A party may submit the party's case in writing. If a party fails to appear for a hearing, the Director may act on the available evidence without further notice to the party. The Director may reopen a proceeding if a party to the proceeding submits a written petition to the Director within 15 days after the proceeding.

- E.** Hearing officer. If the Director assigns a matter to a hearing officer, the hearing officer shall, within 15 days after the conclusion of the hearing, submit to the Director ~~within 15 days after conclusion of the hearing~~ a written decision that includes proposed findings of fact, conclusions of law, and order. The Director may accept, reject, or modify the decision of the hearing officer. Unless modified, the decision of the hearing officer becomes the decision of the Director 45 days after the hearing officer submits the decision to the Director.

F. Depositions.

1. If a party desires to take the oral deposition of a witness ~~residing~~ who resides outside the state or is otherwise unavailable as a witness, the party shall file with the Director a petition for permission to take the deposition of the witness. The party shall specify in the deposition petition

the name and address of the witness and the nature and substance of the testimony expected to be given by the witness. The Director shall grant permission to take the deposition if the Director is able to determine from the deposition petition that the witness resides outside the state or is otherwise unavailable and the witness's testimony is relevant and material.

2. The Director may, at the Director's discretion, designate the time and place at which the deposition may be taken. The party that takes a deposition is responsible for all expenses involved in taking the deposition.
3. A party taking a deposition under this subsection shall return and file a transcript of the deposition with the Director within 30 days after permission for taking the deposition is granted.

G. Service.

1. The ~~Department~~ Division shall make service of a decision, order, or other process in person or by mail. The ~~Department~~ Division shall make service by mail by enclosing a copy of the material to be served in a sealed envelope and depositing the envelope in the United States mail, postage prepaid, addressed to the party served at the address shown by the records of the ~~Department~~ Division.
2. The ~~Department~~ Division shall calculate time periods prescribed or allowed by this Chapter, order of the ~~Department~~ Division, or applicable statute as provided in the Arizona Rules of Civil Procedure.
3. Service on an attorney who has appeared on behalf of a party constitutes service on the party. A person required to serve papers on the Director or Commission shall file the papers in the office of the ~~Department~~ Division and serve a copy on the Attorney General.
4. Proof of service may be made by the affidavit or oral testimony of the person making service.

H. Rehearing, review, or appeal.

1. Except as provided in subsection (H)(7), a party aggrieved by a final administrative decision ~~rendered~~ made by the Director, may file with the Director within 30 days after service of the final administrative decision, a written motion for rehearing or review. A party filing a motion for rehearing or review of the decision shall specify in the motion the particular grounds on which the motion is made.
2. A motion for rehearing or review may be amended at any time before it is ruled on by the Director. A response may be filed within 10 days after service of the motion or amended motion by any other party. The Director may require the filing of written briefs on the issues raised in the motion and may provide for oral argument.
3. The ~~Department~~ Division may grant a rehearing or review of a decision for any of the following causes materially affecting a party's rights:

- a. Irregularity in the administrative proceedings, or an order or abuse of discretion that deprived a party of a fair hearing;
 - b. Misconduct of the hearing officer, Director, or the prevailing party;
 - c. Accident or surprise that could not have been prevented by ordinary prudence;
 - d. Newly discovered material evidence that could not, with reasonable diligence, have been discovered and produced at the hearing;
 - e. Excessive or insufficient penalty;
 - f. Error in the admission or rejection of evidence or other errors of law occurring at the administrative hearing or during the progress of the proceedings; and
 - g. The findings of fact or decision is not justified by the evidence or is contrary to law.
4. The Director may affirm or modify a decision or grant a rehearing to all or any of the parties on all or part of the issues for any of the reasons listed in subsection (H)(3). The Director shall specify with particularity the grounds for an order modifying a decision or granting a rehearing. A rehearing shall cover only the matters specified.
 5. Not later than 10 days after the date of a decision, after giving the parties notice and an opportunity to be heard, the Director may, on the Director's initiative, order a rehearing or review for any reason for which the Director might have granted a rehearing or review on motion of a party. After giving the parties or their counsel notice and an opportunity to be heard, the Director may grant a motion for rehearing or review for a reason not stated in the motion. In either case, the Director shall ensure ~~that~~ the order granting a rehearing or review specifies the grounds for the order.
 6. When a motion for rehearing or review is based on affidavits, the party making the motion shall serve the affidavits with the motion. An opposing party may, within 15 days after service, serve opposing affidavits. This period may be extended by the Director for an additional 20 days for good cause shown or by written stipulation of the parties. Reply affidavits may be permitted.
 7. If the Director makes a specific finding that a particular decision needs to be effective immediately to preserve the public peace, health, safety, and welfare and that a rehearing or review of the decision is impracticable, unnecessary, or contrary to the public interest, the Director shall issue the decision as a final decision without an opportunity for a rehearing or review.
 8. If the provisions of this Section ~~are in~~ conflict with the provisions of a statute providing for rehearing of decisions of the Director, the statutory provisions shall govern.

R19-2-124. Procedure before the Commission

A. Appeal of Director's rulings.

1. A person aggrieved by a ruling of the Director may appeal to the Commission. An appeal shall be filed in writing to the office of the Commission within 30 days after service of the Director's ruling or within five days after service of the Director's ruling if the appeal is from an ejection or exclusion under R19-2-124.01.
2. ~~An appeal~~ The appellant or the appellant's attorney shall be signed by the person making the appeal or by the person's sign the appeal attorney and shall contain ensure the appeal contains the grounds for appeal and the reasons ~~for believing the person~~ appellant believes the appellant is entitled to a hearing or, if the appeal is from an ejection or exclusion, believes the Director's ruling should be reversed or modified.
3. When an appeal is filed, the Commission shall review the record and may affirm, reverse, or modify the Director's ruling or conduct other proceedings the Commission deems appropriate.

B. Permit denial, suspension, or revocation.

1. As required under A.R.S. § 5-108.01(A), the Commission shall hold a hearing on an application for an original or renewal permit. The Commission shall provide 30 days' notice of the hearing.
2. The Commission shall revoke or suspend a permit only after giving the permittee notice and opportunity for hearing. The Commission shall give 30 days' written notice of the hearing ~~in writing at least 30 days before the date set for hearing,~~ unless the 30 days' notice is waived in writing by the permittee.
3. Unless specifically ordered otherwise, if the Commission suspends one license held by ~~an individual~~ a person, all licenses held by the ~~individual~~ person are suspended for the term of the suspension.
4. ~~A party appearing before the~~ The Commission shall ~~be afforded~~ provide a party an opportunity for a hearing, ~~and~~ to respond and present evidence, ~~and~~ to present argument on all issues.
5. An individual appearing before the Commission has the right to appear in person or by counsel. A ~~corporation~~ business entity appearing before the Commission shall appear through counsel. A party may submit the party's case in writing. If a party fails to appear for a hearing, the Commission may act on the available evidence without further notice to the party. The Commission may reopen a proceeding if a party to the proceeding submits a written petition to the Commission within 15 days after the proceeding.

- C.** Hearing officer. If the Commission assigns a matter to a hearing officer, the hearing officer shall, ~~submit to the Commission~~ submit to the Commission within 15 days after conclusion of the hearing, submit to the Commission a written decision that includes proposed findings of fact, conclusions of law, and order. The Commission may accept, reject, or modify the decision of the hearing officer. Unless modified, the

decision of the hearing officer becomes the decision of the Commission 45 days after the hearing officer submits the decision to the Commission.

D. Depositions.

1. If a party desires to take the oral deposition of a witness ~~residing~~ who resides outside the state or is otherwise unavailable as a witness, the party shall file with the Commission a petition for permission to take the deposition of the witness. The party shall specify in the deposition petition the name and address of the witness and the nature and substance of the testimony expected to be given by the witness. The Commission shall grant permission to take the deposition if the Commission is able to determine from the petition that the witness resides outside the state or is otherwise unavailable and the witness's testimony is relevant and material.
2. The Commission may, at the Commission's discretion, designate the time and place at which the deposition may be taken. The party that takes a deposition is responsible for all expenses involved in taking the deposition.
3. A party taking a deposition under this subsection shall return and file a transcript of the deposition with the Commission within 30 days after permission for taking the deposition is granted.

E. Service.

1. The Commission shall make service of a decision, order, or other process in person or by mail. The Commission shall make service by mail by enclosing a copy of the material to be served in a sealed envelope and depositing the envelope in the United States mail, postage prepaid, addressed to the party served, at the address shown by the records of the ~~Department~~ Division. The Commission shall mail a notice of a hearing before the Commission by certified mail to the last known address of the party shown by the records of the ~~Department~~ Division.
2. Proof of service may be made by the affidavit or oral testimony of the person making the service.
3. The Commission shall calculate time periods prescribed or allowed by this Chapter, order of the ~~Department~~ Division, or applicable statute as provided in the Rules of Civil Procedure.
4. Service upon an attorney who has appeared on behalf of a party constitutes service upon the party. A person required to serve papers upon the Commission; shall file an original and ~~five~~ copies one copy in the office of the ~~Department~~ Division and serve a copy on the Attorney General.

F. Rehearing or review.

1. Except as provided in subsection (F)(7), a party aggrieved by a final administrative decision ~~rendered~~ made by the Commission may file with the Commission within 30 days after service of the final administrative decision, a written motion for rehearing or review of the decision. A party

filing a motion for rehearing or review of a decision shall specify the particular grounds on which the motion is made.

2. A motion for rehearing or review may be amended at any time before it is ruled ~~upon~~ on by the Commission. A response may be filed within 10 days after service of the motion or amended motion by any other party. The Commission may require the filing of written briefs on the issues raised in the motion and may provide for oral argument.
3. The Commission may grant a rehearing or review of a decision for any of the following causes materially affecting a party's rights:
 - a. Irregularity in the administrative proceedings, or an order or abuse of discretion that deprived a party of a fair hearing;
 - b. Misconduct of the hearing officer, Commission, or the prevailing party;
 - c. Accident or surprise that could not have been prevented by ordinary prudence;
 - d. Newly discovered material evidence that could not, with reasonable diligence, have been discovered and produced at the original hearing;
 - e. Excessive or insufficient penalty;
 - f. Error in the admission or rejection of evidence or other errors of law occurring at the administrative hearing or during the progress of the proceedings; and
 - g. The findings of fact or decision is not justified by the evidence or is contrary to law.
4. The Commission may affirm or modify a decision or grant a rehearing to all or any of the parties on all or part of the issues for any of the reasons listed in subsection (F)(3). The Commission shall specify with particularity the grounds for an order modifying a decision or granting a rehearing. A rehearing shall cover only the matters specified.
5. Not later than 10 days after the date of a decision, after giving the parties notice and an opportunity to be heard, the Commission may, on its own initiative, order a rehearing or review for any reason for which the Commission may have granted a rehearing on motion of a party. After giving the parties or their counsel notice and an opportunity to be heard, the Commission may grant a motion for rehearing or review for a reason not stated in the motion. In either case, the Commission shall ensure ~~that~~ the order granting a rehearing or review specifies the grounds for the order.
6. When a motion for rehearing or review is based ~~upon~~ on affidavits, the party making the motion shall serve the affidavits with the motion. An opposing party may, within 15 days after service, serve opposing affidavits. This period may be extended by the Commission for an additional 20 days for good cause shown or by written stipulation of the parties. Reply affidavits may be permitted.

7. If the Commission makes a specific finding that a particular decision needs to be effective immediately to preserve the public peace, health, safety, and welfare and that a rehearing or review of the decision is impracticable, unnecessary, or contrary to the public interest, the Commission shall issue the decision as a final decision without an opportunity for a rehearing or review.
8. ~~To the extent that~~ If the provisions of this Section are in conflict with the provisions of any a statute providing for rehearing of decisions of the Commission, the statutory provisions shall govern.

R19-2-124.01. Ejection or Exclusion

A. Ejection or exclusion. Under A.R.S. § 5-117(A), the stewards are authorized to eject or exclude from any racing meeting or racetrack enclosure in this state or any portion of a racing meeting or racetrack enclosure in this state a person licensed by the Division if the track stewards rule the licensed person's participation in the racing meeting or presence at the racetrack enclosure is detrimental to the integrity of horse racing or would interfere with the orderly conduct of horse racing.

B. Appeal to the Director.

1. A licensed person ejected or excluded under subsection (A) may appeal the stewards' ruling to the Director by complying with R19-2-123(A) within five days after the stewards' ruling is issued;
2. The Director shall uphold, reverse, or modify the stewards' ruling and issue a written determination within three days after the appeal is filed under subsection (B)(1);
3. If the Director upholds the stewards' ruling, the ejection or exclusion of the licensed person shall remain in effect; and
4. If the Director reverses or modifies the stewards' ruling, the terms of the licensed person's access to a racing meeting or racetrack enclosure in this state shall be modified in accordance with the Director's determination.

C. Appeal to the Commission.

1. If a licensed person ejected or excluded under subsection (A) appealed to the Director under subsection (B) and the Director issued a determination upholding the stewards' ruling, the person may appeal to the Commission by complying with R19-2-124(A) within five days after the Director issued the determination;
2. The Commission shall hold a public meeting regarding the appeal. The Commission shall allow the licensed person ejected or excluded to respond and present evidence and argument on the issue at the public meeting;

3. The Commission shall uphold, reverse, or modify the stewards' ruling and issue a determination within seven days after the appeal is filed under subsection (C)(1);
4. If the Commission upholds the stewards' ruling, the ejection or exclusion of the licensed person shall remain in effect; and
5. If the Commission reverses or modifies the stewards' ruling, the terms of the licensed person's access to a racing meeting or racetrack enclosure in this state shall be modified in accordance with the Commission's determination.

R19-2-125. Arizona Stallion Awards

A. Definitions.

1. "Arizona stallion" means an uncastrated, adult male horse that stands the entire breeding season in Arizona.
2. "Breeding year" means the period beginning January 1 and ending July 31.
3. "Fiscal year" means the period beginning July 1 and ending June 30.
4. "Owner" means the person ~~who~~ that possesses the stallion at the time of the person's certification application for the fiscal year, according to ~~the~~ Division records ~~of the Department~~.

B. Owner and lessee eligibility. ~~For an owner or the lessee of an Arizona stallion to~~ To be eligible for an award of funds for a fiscal year:

1. The owner or lessee of an Arizona stallion shall:
 - a. Apply for stallion certification by the due date set by the breeders association for complying with the ~~requirement~~ requirements in subsection (D);
 - b. Submit the breeder report required in subsection (E); and,
 - c. Comply with subsection (F), if applicable.
2. ~~In the event of death or the retirement of a~~ If an Arizona stallion dies or retires, the owner or lessee remains eligible for awards if the requirements in subsection (D) are followed.
3. ~~The~~ An Arizona stallion shall be certified at the time ~~its~~ the eligible Arizona-bred offspring of the Arizona stallion earn purse money in races listed in subsection (H).

C. Qualifications for Arizona stallion certification. To qualify for Arizona stallion certification for the fiscal year, an owner or lessee shall:

1. Permanently domicile the stallion in Arizona from January 1 through July 31. During this time, the owner or lessee may move the stallion outside of Arizona for racing or for medical treatment;
2. Register the stallion with the Arizona breed registry that corresponds to the stallion's national breed registry; and

3. Notify the appropriate Arizona breed registry within 10 days of the stallion entering or leaving Arizona during the breeding year.

D. Application procedure for stallion certification.

1. By the due date set by the appropriate Arizona breeders association, and approved by the Commission in accordance with subsection (D)(2)(b), an owner or lessee may apply for Arizona stallion certification for the fiscal year. The owner or lessee shall:
 - a. File an official application form with the Arizona breeders' association for each stallion owned or leased; and
 - b. Pay a certification fee for each stallion when the application form is filed.
2. The Arizona breeders association shall:
 - a. Forward a legible copy of the completed application to the ~~Department~~ Division;
 - b. Set an application due date and reasonable certification fee, if these actions are authorized by the Commission in a contract ~~permitted~~ allowed under A.R.S. § ~~5-114(D)~~ 5-114(C).
3. The Commission shall review and approve or reject each contract for stallion certification.

E. Breeding report.

1. A quarter horse stallion owner or lessee shall submit a legible copy of the annual "Stallion Breeding Report" to the breeders association monitoring quarter horse stallions by November 30 of the current breeding year.
2. Except as provided in subsection (F), a thoroughbred stallion owner or lessee shall submit a legible copy of the annual "Report of Mares Bred" to the breeders association monitoring thoroughbred stallions by August 1 of the current breeding year.

F. Thoroughbred stallion bred to quarter horse mares.

1. If a thoroughbred stallion is being bred to quarter horse mares, an owner or lessee shall send the application, fees, and breeding report required in subsections (D) and (E)(1) to the breeders association monitoring quarter horse stallions.
2. If a thoroughbred stallion is being bred to thoroughbred and quarter horse mares, an owner or lessee shall send the application, fees, and breeding reports required in subsections (D) and (E) to both of the Arizona breeders associations.

G. Disqualification and ~~Reinstatement~~ reinstatement.

1. If a stallion owner or lessee fails to comply with applicable requirements in subsections (B), (C), (D), (E), and (F), the ~~Department~~ Division shall disqualify the owner or lessee from receiving an award of fund monies during the affected fiscal year.

2. To reinstate eligibility for subsequent years, the owner or lessee shall pay the certification fee prescribed in subsection (D)(1)(b) and comply with applicable requirements in subsections (B), (C), (D), (E), and (F).

H. Award races. Except for maiden claiming and maiden allowance races at Arizona racetracks, the following are eligible races:

1. Quarter horses:
 - a. All races with a purse value of \$10,000 or more;
 - b. All allowance races;
 - c. At the Turf Paradise meet, all claiming races with a claiming price of \$3,500 or more; and
 - d. At other Arizona racetracks, all claiming races with a claiming price of \$2,500 or more.
2. Thoroughbreds:
 - a. The Prescott Futurity, the Prescott Derby, and all races with a purse value of \$15,000 or more;
 - b. The Inaugural, the Mile High, and all allowance races;
 - c. At the Turf Paradise meet, all claiming races with a claiming price of \$6,000 or more; and
 - d. At other Arizona racetracks, all claiming races with a claiming price of \$3,500 or more.

I. Fund distribution procedures.

1. The Arizona breeders associations shall submit to the ~~Department~~ Division, at least annually by the end of the fiscal year, a written report that contains the following information:
 - a. The names of certified Arizona stallions for the fiscal year;
 - b. The names of certified Arizona-bred offspring of the Arizona stallions. Arizona-bred horses may be certified by following the procedures prescribed in R19-2-116(A) and (B);
 - c. The first, second, and third place finishes of each certified Arizona-bred horse, sired by a certified Arizona stallion, in each eligible race; and,
 - d. The earnings in each race of each Arizona-bred horse sired by a certified Arizona stallion.
2. ~~The Department~~ To determine the Arizona stallion award, the Division shall:
 - a. ~~Hold 10% of the monies accumulated prior to the 1996-97 fiscal year for contingent liabilities;~~
 - b.a. Calculate a payment factor at the end of each fiscal year by dividing the total monies available, ~~under subsections (1)(2)(d), (e), (f), or (g),~~ by the total dollar value of purses, not to exceed \$30,000 per horse per race, won in eligible races during the fiscal year; and
 - e.b. Multiply the payment factor by the total purse amount won in eligible races during the fiscal year.

- d. ~~Distribute to eligible owners or lessees 40% of the amount accumulated in the fund prior to the 1996-97 fiscal year and the amount earned by the fund during the 1996-97 fiscal year;~~
 - e. ~~Distribute to eligible owners or lessees 25% of the amount accumulated in the fund prior to the 1996-97 fiscal year and the amount earned by the fund during the 1997-98 fiscal year;~~
 - f. ~~Distribute to eligible owners or lessees 25% of the amount accumulated in the fund prior to the 1996-97 fiscal year and the amount earned by the fund during the 1998-99 fiscal year;~~
and,
 - g. ~~Distribute to eligible owners or lessees the amount earned by the fund during the fiscal year for the years after the 1998-99 fiscal year.~~
3. The owner or lessee shall designate, on a form provided by the ~~Department~~ Division, the single payee to whom Arizona stallion award checks shall be issued when there is more than one owner of a an Arizona stallion.

J. Appeal of Director's ~~rulings~~ decision.

- 1. The Director shall make the final decision concerning a stallion award.
- 2. The ~~Department~~ Division shall give written notice of the decision to ~~an applicant~~ the owner or lessee by mailing ~~it~~ a copy of the decision to the address of record filed with the ~~Department~~ Division.
- 3. ~~After service of the Director's decision, an aggrieved party may obtain a hearing under A.R.S. §§ 1092.03 through 41-1092.11.~~
- 4. ~~3. The~~ To appeal the Director's decision, an aggrieved party shall ~~file a notice of appeal with the Department within 30 days after receiving the notice prescribed in R19-2-125(J)(2)~~ follow the procedures in R19-2-124.
- 5. ~~The Department~~ When a notice of appeal is filed, the Division shall notify the Office of Administrative Hearings, which shall schedule and conduct the hearing under A.R.S. §§ 41-1092.03 through 41-1092.11.

R19-2-126. Race Horse Adoption Grants

- A. The Commission shall provide financial grants to nonprofit enterprises to promote the adoption of retired race horses. The Commission shall distribute all funds generated by ~~of~~ the retired race horse adoption surcharge ~~funds generated from~~ established under A.R.S. § 5-104(G) to nonprofit enterprises.
- B. Procedures.
 - 1. A nonprofit enterprise that wishes to receive a financial grant shall submit a ~~Department~~ Division-generated application form to the Commission. ~~In 2005, the Commission shall set the date by which applications are to be received. After 2005, the~~ The Commission shall accept

applications until March 1 of each year. The nonprofit enterprise shall provide the following information:

- a. A written description of the nonprofit enterprise,
 - b. Proof of nonprofit status,
 - c. The proposed use of the grant,
 - d. A description of the nonprofit enterprise's procedures to ~~acclimate~~ help the horses adjust as required by subsection (C)(6),
 - e. A description of the nonprofit enterprise's adoption procedures as required by subsection (C)(7),
 - f. A copy of the application form and adoption agreement required by subsections (C)(7)(a) and (c), and
 - g. A copy of the transfer of registration or bill of sale required by subsection (C)(8).
2. If the Commission finds ~~that~~ the adoption program of a nonprofit enterprise is in the best interest of the racing industry and this state, the Commission shall decide whether to make a grant to the nonprofit enterprise, the amount of the grant, and the date of disbursement of the grant.
3. ~~A~~ The recipient of a grant shall report the following information annually to the Commission on a form provided by the ~~Department~~ Division ~~to gather the following information:~~
- a. The number of horses the nonprofit enterprise received;
 - b. The number of horses adopted;
 - c. The number of horses returned by an adoptee and reason for each return;
 - d. The actual use of ~~the~~ grant monies;
 - e. A list of people who adopted the horses, or a copy of the contract between the nonprofit enterprise and each adoptee; and
 - f. The most recent Articles of Incorporation ~~filing~~ or other evidence of business organization on file with the Arizona Corporation Commission.

C. Minimum qualifications.

1. The enterprise shall be nonprofit.
2. The enterprise shall not:
 - a. Allow a horse to be used for racing, wagering, or slaughter; or
 - b. Place a horse with a humane society or research facility;
3. The enterprise shall not euthanize an adoptable horse unless, as determined by a licensed veterinarian, it is medically necessary for humane reasons.

4. The enterprise shall be affiliated with a racetrack that conducts horse racing. Affiliation is satisfied when the general manager or other executive from the racetrack submits to the Commission a written recommendation on behalf of the enterprise.
5. The enterprise shall require that a licensed veterinarian perform a complete check-up on ~~each a~~ horse before releasing the horse to an adoptee. The enterprise shall ensure ~~that~~ each horse receives all medical care necessary to maintain its good health while in the care of the enterprise.
6. The enterprise shall employ procedures ~~for acclimating to help~~ a horse adjust that include including:
 - a. ~~Exposure~~ Exposing the horse to the public,
 - b. ~~Exposure~~ Exposing the horse to a new diet, and
 - c. Training the horse for off-track life.
7. The enterprise shall employ procedures for adopting-out horses that include:
 - a. An application process for prospective adoptees;
 - b. A visual check of each prospective adoptee's farm with written documentation of the visit;
 - c. A written adoption agreement between the enterprise and adoptee;
 - d. ~~At a minimum, follow-ups~~ Follow-up visits with the adoptee conducted by phone or visit in person after seven and 30 days with written documentation of each visit; and
 - e. Procedures for ~~the return of a~~ returning an adopted horse.
8. Before assuming care of a horse, the enterprise shall obtain a transfer of registration or bill of sale for the horse.
9. The enterprise shall make available a person to complete and submit all filing requirements and to answer questions from a prospective or current adoptee.
10. The enterprise shall keep a file on each horse that includes:
 - a. The transfer of registration or bill of sale;
 - b. The vaccination record, health record, and all veterinarian reports;
 - c. The adoptee's application form;
 - d. The written adoption agreement between the enterprise and adoptee; and
 - e. The written documentation of pre-adoption check and follow-ups.
11. The enterprise shall state in the adoption agreement the rules and responsibilities required of the adoptee.
12. The enterprise shall make the ~~records file~~ file required in subsection ~~(C)(11)~~ (C)(10) available for inspection by a representative of the ~~Department~~ Division upon request.
13. The enterprise shall allow the ~~Department~~ Division to inspect the facilities, farm, or location ~~of at~~ which the enterprise keeps the adopted horses available for adoption.

ARTICLE 2. RACING REGULATION FUND

R19-2-201. Racing Regulation Fund

The Racing Regulation Fund, established by A.R.S. § 5-113.01, and administered by the ~~Department of Racing~~ Division, shall collect funding for regulation of racing from the pari-mutuel racing industry from the sources listed below. The ~~Department~~ Division shall review assessments from each source at least twice a year ~~for the purposes of meeting its budget to determine whether adjustments are needed.~~

1. ~~Annual license~~ License fees established by the ~~Department~~ Division and ~~set forth~~ listed in R19-2-202, ~~except for those fees deposited to the Greyhound Adoption Fund pursuant to A.R.S. § 5-113(H).~~
2. A regulatory assessment based on the number of dark days on which wagering is conducted in excess of live racing days for each ~~racetrack~~ permittee ~~issued a racing permit.~~ The assessment shall be in an amount established by the ~~Department~~ Division and ~~set forth~~ listed in R19-2-204.
3. A regulatory assessment from all ~~racetracks~~ permittees that have been issued a commercial racing permit to be paid from the amount deducted by the permittee from pari-mutuel pools. The assessment amount may be deducted from pari-mutuel pools in addition to the amounts the permittee is authorized to deduct in A.R.S. § 5-111(C). The assessment shall be based on amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by the permittee in an amount established by the ~~Department~~ Division, and ~~as set forth~~ listed in R19-2-205. ~~A permittee shall not reduce the amounts payable to the Department under this subsection for hardship tax credits under A.R.S. § 5-111(I) or for capital improvement credits under A.R.S. §§ 5-111.02 and 5-111.03.~~
4. License fees collected ~~pursuant to~~ under A.R.S. § 5-230(A).
5. The Division shall credit an overpayment of a regulatory assessment by a permittee ~~shall be credited to and may be~~ and allow the overpayment to be deducted from any regulatory assessment payment due from the permittee in the current or following fiscal ~~or the following fiscal~~ year.

R19-2-202. Licensing License and Permit Fees

- A. When an applicant submits a ~~license~~ an application ~~pursuant to~~ under R19-2-106 ~~or R19-2-306~~, the applicant shall also submit, in a manner instructed by the Division, the applicable fee listed in ~~subsections (C) and (D)~~ in this Section. The ~~Department~~ Division shall ensure ~~that~~ a schedule of license and fingerprint processing fees is displayed prominently at each licensing location.

B. ~~A license shall be for a period of no less than~~ Except for a license issued to an apprentice jockey, which expires under the terms at R19-2-109(E)(3), the Division shall issue licenses and permits that expire no less than one year except as stated in subsection (B)(1)(a) from the date of issuance.

1. ~~Horse racing licenses expire each year on June 30 except that:~~

a. ~~Apprentice jockey licenses expire as provided in R19-2-109(D)(2); and~~

b. ~~All licenses issued prior to July 1, 2013, will expire on June 30, 2014.~~

2. ~~Greyhound licenses expire each year on January 31 except that all licenses issued prior to February 1, 2013, will expire on January 31, 2014.~~

3. ~~Pari-mutuel licenses expire each year on January 31 except that all licenses issued prior to February 1, 2013, will expire on January 31, 2014.~~

C. Annual License Fees fees.

1. Two-year licenses.

~~1.a.~~ Group 1 (assistant starter/valet, ~~coolout~~, exercise rider, groom, ~~leadout~~, occupational, OTB {owner, or manager}, outrider, pari-mutuel ~~[including OTB]~~, pony person, security employee) - \$15.

~~2.b.~~ Group 2 (authorized agent-partial, ~~greyhound hauler~~, jockey agent, vendor employee) - \$50.

3. ~~Group 3 (county fair manager, county fair treasurer, official) - \$100.~~

~~4.c.~~ Group 4~~3~~ (assistant trainer, ~~commercial track key people: owner [10% or more], general manager, assistant general manager, chief financial officer;~~ horse owner, ~~RBO [kennel, racing or breeding],~~ stable name, temporary claim to owner, trainer) - \$150.

~~5.d.~~ Group ~~54~~ (apprentice jockey, authorized agent – full; or combination ~~RBO [racing/breeding combination],~~ farrier/plater, jockey, owner/trainer, veterinarian) - \$200.

~~6.e.~~ Group ~~65~~. —fees above \$200

~~a.i.~~ Tote companies - \$1,250;

~~b.ii.~~ All other vendors (video, photo finish, concessionaires, security)– \$500.

2. Annual licenses.

a. Commercial track key people: commercial track owner, general manager, assistant general manager, chief financial officer--\$150;

b. County fair manager, treasurer, or other official--\$100;

c. Advanced deposit wagering provider employee, tote company employee--\$50.

D. Annual Permittee Fees permit fees.

1. Commercial racing permit (40 or fewer days of live racing or no live racing) - \$1,000;

2. Commercial racing permit (more than 40 days of live racing) - \$2,500;

3. County fair permit - \$250.

E. Three-year permit fees.

1. Additional teletrack wagering facility permit--\$500;
2. Advanced deposit wagering facility permit--\$2,500.

R19-2-204. Regulatory Assessment for Dark Day Simulcasting

- A. ~~The Department~~ As authorized under A.R.S. § 5-104(F), the Division shall collect an annual regulatory assessment from each ~~racetrack~~ permittee conducting horse ~~or greyhound~~ racing in Arizona ~~and which~~ that qualifies under A.R.S. § 5-112 for dark day simulcasting.
- B. ~~Each~~ A permittee shall pay ~~an~~ the amount established by the ~~Department~~ Division based on the number of dark days on which wagering is conducted in excess of the number of live days approved in the racing permit issued to the permittee.
1. ~~The Department shall at the start of the year on~~ On or before July 1 ~~of each year, the Division~~ shall assess each permittee \$25 per dark day based upon the total number of dark days approved in the permittee's racing permit. The calculation will be determined by the number of dark days approved by the ~~Arizona Racing~~ Commission in excess of the number of live days approved ~~each year during the period of~~ under the permit.
 2. The permittee shall transmit the ~~total~~ dark day assessment to the Racing Regulation Fund no later than July 15 of each year.

R19-2-205. Regulatory Wagering Assessment of Pari-mutuel Pools

- A. ~~The Department~~ As authorized under A.R.S. § 5-104(F), the Division shall establish and collect a regulatory wagering assessment payable from the amounts deducted from pari-mutuel pools by the permittee, in addition to the amounts the permittee is authorized to deduct ~~in~~ under A.R.S. § ~~5-111(C)~~ 5-111(B) from amounts wagered on all live and simulcast races from in-state and out-of-state wagering authorized by the ~~Department~~ Commission to the permittee. ~~A permittee shall not reduce the amounts payable to the Department under this subsection for hardship tax credit under A.R.S. § 5-111(I) or for capital improvement credits under A.R.S. §§ 5-111.02 and 5-111.03.~~
- B. The regulatory wagering assessment for each racing meeting on all in-state and/or out-of-state, on-track, off-track, live, import and/or export wagers and/or wager types ~~(the "RWA")~~ shall be 0.75 percent from May 1 to September 30 of each year and, the RWA shall be 0.85 percent beginning October 1 of each year through April 30 of the next year determined by the Division and approved by the Commission at least annually unless otherwise required by statute. When the annual regulatory wagering assessment is approved by the Commission, the Division shall provide each permittee with

written notice of the amount of the regulatory wagering assessment before the beginning of each fiscal year.

- C. ~~Each~~ Unless otherwise approved by the Division, a permittee shall transmit its the permittee's regulatory wagering assessment daily, unless otherwise approved by the Department, to the Racing Regulation Fund beginning July 1, 2011 Division in a manner instructed by the Division. A At the time the permittee transmits the regulatory wagering assessment to the Division, the permittee shall transmit to the Director a report detailing the regulatory wagering assessment shall be transmitted to the Director at the time the assessment is transmitted.
- D. The ~~Department~~ Division may audit ~~the~~ a permittee's pari-mutuel accounts periodically under the authority of A.R.S. § 5-104.01. The permittee shall cooperate fully with the ~~Department~~ Division during these audits.

ARTICLE 4. ADVANCE DEPOSIT WAGERING, TELETRACKING, AND SIMULCASTING

R19-2-401. Definitions

In addition to the definitions in R19-2-102 ~~and R19-2-302~~, unless the context otherwise requires, the following definitions apply in this Article:

1. "Account holder" means a "natural person" not otherwise precluded from wagering by any Arizona statute or rule.
2. "Advance deposit wagering (ADW)" means a mechanism for pari-mutuel wagering in which wagers are debited and payouts credited to an advance deposit account held by an association or ADWP on behalf of an account holder.
3. "Advance deposit wagering permit" means a permit issued by the Commission allowing an entity to conduct advance deposit wagering on behalf of a contracted Arizona ~~racetrack~~ permittee.
4. "Advance ~~Deposit Wagering Vendor~~ deposit wagering vendor or ~~Provider~~ provider (ADWP)" means the Arizona licensed and ~~racetrack~~ permittee-contracted vendor providing advance deposit wagering services for Arizona resident account holders.
5. "Confidential ~~Information~~ information" means advance deposit wagering account holders and their accounts; may include money transactions in to or out of accounts, specifics of monies wagered from any account on any race or series of races, the account number and security code of any account holder, the specifics of wagering interests wagered on, and the specific identifying details of any account unless authorized by the account holder.
6. "Limited ~~Event Wagering Operator~~ event wagering operator" means a ~~Racetrack~~ racetrack enclosure or additional wagering facility that holds a permit issued by the Division ~~of Racing~~ to

offer wagers on horseracing, ~~and that~~ is licensed under this ~~chapter~~ Chapter, and ~~that~~ is in compliance with licensure requirements under A.R.S. Title 5, Chapter 11 and A.A.C. Title 19, Chapter 4, Article 1.

7. “Operating ~~Hours~~ hours” means the hours in which pari-mutuel windows are open at a teletrack wagering facility.
8. “~~Pari-Mutuel Output Data~~ Pari-mutuel output data” means any data provided by the totalisator system other than sales transaction data including, but not limited to, odds, will pays, race results, and pay-off prices.
9. “Racing ~~Program~~ program” means the live races conducted at an authorized ~~track~~ enclosure, approved dark-day simulcasts and any simulcast races shown to the public in conjunction with live racing on which pari-mutuel wagering is allowed.
10. “Sales transaction data” means the electronic signals transmitted between totalisator ticket-issuing machines or approved ADW wager-issuing equipment and the totalisator central processing unit for the purpose of accepting wagers and generating, canceling, and cashing pari-mutuel tickets; also, the financial information resulting from processing sales transaction data, such as handle and revenues.
11. “Sending track” means the enclosure where a racing program of authorized live racing is conducted and from which teletracking originates.
12. “Telephone” means any device ~~that~~ a person uses for voice communications in connection with the services of a telephone company but does not include digital devices ~~utilizing~~ using non-verbal communications.
13. “Teletrack wagering facility” means an additional wagering facility owned or leased by an Arizona permittee that is used for handling legal wagers.
14. “Teletracking” means the telecast of live audio and visual signals of live or simulcast horse, mule, or greyhound racing programs conducted at an authorized enclosure within Arizona to an authorized additional wagering facility within Arizona, by a ~~racetrack~~ permittee for the purpose of pari-mutuel wagering, or the teletrack wagering conducted on the racing program.
15. “Teletrack wagering” means pari-mutuel wagering conducted at a teletrack wagering facility within Arizona on a racing program conducted at an authorized ~~track~~ enclosure within Arizona regardless of whether the racing program is telecast to the teletrack location.
16. “Teletrack wagering permit” means a permit issued by the Commission authorizing an Arizona ~~racetrack~~ permittee to operate a single or multiple teletrack wagering facilities within the state for the purpose of pari-mutuel wagering.

17. "TIM-to-tote linkage" means the connection in which ticket issuing machines (TIM) are directly connected to the permittee's own calculating or compiling totalisator with no intermediate totalisator systems within that connection.
18. "Tote-to-tote linkage" means the connection between totalisator systems in which one of the systems is not part of the permittee's calculating system and may or may not be used for the compilation of TIM-to-tote wagers within its own wagering network that are then forwarded to the permittee's calculating totalisator system.
19. "Transmission" means the point-to-point sending and receiving of an audio or visual signal by any method approved by the Arizona Department of Racing Division.

R19-2-402. ADWP Licensing Requirements

- A. An ADWP shall be licensed by the Department Division.
- B. An ADWP shall comply with these and all other rules relating to entities permitted by the Commission as they apply to pari-mutuel wagering.
- C. The Department Division may suspend or revoke an ADWP license, ~~withdraw approval of a contract between an ADWP and a racetrack permittee,~~ or impose fines if the ADWP, its officers, directors or employees violate these rules or applicable sections of A.R.S. Title 5, Chapter 1, or fail to abide by orders of the Department Division. The Commission may withdraw approval of a contract between an ADWP and a permittee.
- D. An ADWP shall accept wagers only on the species for which the contracted Arizona ~~racetrack~~ permittee has a permit.

R19-2-403. ADW Permit Applications and Requirements

- A. ~~A Only a person, association, or corporation~~ licensed by the Division as an ADWP may apply for an ADW permit ~~desiring~~ to operate advance deposit wagering and open accounts for residents of Arizona. To obtain an ADW permit, a licensed ADWP shall comply with R19-2-404 and file with the Department Division both a paper and electronic permit application that contains the information required in A.R.S. § 5-107. All The applicant shall ensure the electronic submissions shall be submission is compatible with the Department's Division's computer system and software. If any an addendum to the permit application cannot be submitted electronically, the applicant shall submit a paper copy of the addendum in a paper copy.
- B. ~~An ADW~~ A permittee shall contract only with ADWPs licensed by the Department Division and issued an ADW permit by the Commission under A.R.S. § 5-112(N).

- C. An ADWP shall pay ~~daily~~ the Regulatory Wagering Assessment (RWA) to the ~~Department~~ Division daily, in a manner instructed by the Division, unless an alternate schedule is authorized by statute and approved by the Division.
- D. An ADWP shall provide daily wagering information to the ~~Department~~ Division and the contracted ~~racetrack~~ permittee for verification of RWA and source market fees at a time and in a manner specified by the ~~Department~~ Division.
- E. A ~~racetrack~~ permittee shall verify that the total RWA paid each day for ~~the~~ both the ~~racetrack's~~ permittee's and the ADW's ADWP's wagering activity is correct.
- F. ~~The~~ An ADWP shall make the following reports ~~shall be~~ available for inspection ~~upon~~ on request by the ~~Department~~ Division in a form acceptable to the ~~Department~~ Division and at a place of the ~~Department's~~ Division's choosing within a reasonable time:
1. ADW handle and related pari-mutuel data such as commission and breakage sorted by date, track or event, race and pool or by ~~Source~~ source such as customer account; in total or detail;
 2. Reports for taxation purposes;
 3. Customer complaints;
 4. List of active accounts;
 5. List of excluded persons;
 6. List of account holders;
 7. Log of all system accesses; and
 8. List of all deposits, withdrawals, wagers and winning payouts, in summary or detail.
- G. An ADWP shall certify that the ADWP will provide the ~~Department~~ Division unrestricted access to all records and financial information of the ADWP, including all account information. The ADWP shall make this information available to the ~~Department~~ Division upon notice from the ~~Department~~ Division to the extent that disclosure is not expressly prohibited by law. ~~Department~~ Division access to and use of information concerning wager transactions and ADWP customers shall be considered proprietary and shall not be disclosed publicly, except as may be required by law. This information may be shared for multi-jurisdiction investigative purposes. An ADWP shall report to the ~~Department~~ Division any known or suspected rule violations by any person involving ~~ADWP~~ ADW and cooperate in any subsequent investigations.
- H. An ADWP shall detail each method used for placing wagers through the ADW system and specify what information and place of recording constitutes proof of a wager placed through each wagering method.
- I. An ADWP or applicant shall give access to the ~~Department~~ Division, or its designee, for review and audit of all records. The ADWP or applicant shall make the required information available at the

ADWP's or applicant's location during business hours. The ~~Department~~ Division may require an ADWP or applicant to submit an annual audited financial statement.

- J. The ~~Department~~ Division may conduct investigations and inspections or request additional information from an ADWP or applicant if required to determine whether to approve an application.

R19-2-404. Application for ~~ADWP~~ ADW Permit; Plan of Operation

Before operating advance deposit wagering in Arizona, a person licensed by the Division as an ADWP shall submit to the ~~Department~~ Division an application for an ~~ADWP~~ ADW permit and a plan of operation. If necessary, the Division may request additional information regarding the licensed ADWP's plan of operation. ~~The Department~~ After the Division approves the ADWP's plan of operation, the Commission shall issue an ~~ADWP~~ ADW permit for no more than three years. An ~~ADWP~~ ADW permit ~~shall expire~~ expires when the ~~racing permit of the permittee with which the ADWP contracts~~ expires. ~~If necessary, the Department may request additional information regarding any plan of operation.~~

R19-2-405. ~~Contracts and Agreements~~ Additional Information Required

An ADWP shall submit to the Division the following information regarding any group, concession, or contract related to the ADW operation whether within or outside of Arizona:

1. Copy of all contracts to provide services, including totalisator vendor services, within or on behalf of Arizona ~~racetrack~~ permittees or residents;
2. ~~Name~~ Names and ~~background~~ backgrounds of the individuals responsible for operating the ADW accounts system;
3. Other information that, in the Director's judgment, is or may be material, such as information pertaining to financial background and persons associated with the parties to the contract;
4. Security measures to be employed to protect:
 - a. ~~the ADWP~~ ADW account maintenance and wagering facilities; and
 - b. ~~Security measures to be employed to protect transmission~~ Transmission of sales transaction and pari-mutuel output data;
- 6.5. Type of data processing, communication, and transmission equipment to be used;
- 7.6. Description of ~~all~~ computer services and ~~all~~ other methods used to transmit any data or signal; and
- 8.7. Description of any alternate or backup system ~~in case of~~ available for use if the principal system ~~failure~~ of communications or data-processing equipment used for forwarding wagers fails.

R19-2-406. Plan of Operation Approval and Amendments

A. ~~An~~ A licensed ADWP shall conduct an ADW operation only according to the provisions of ~~an approved~~ the plan of operation approved under R19-2-404. The ADWP shall obtain the Director's written approval for any change to the plan of operation. The ADWP shall:

1. Notify the ~~Department~~ Division of any anticipated change in the plan of operation,
2. Report to the ~~Department~~ Division any change in ownership or management groups,
3. Provide the ~~Department~~ Division with a copy of all new contracts or amendments to existing ones, and
4. Request the approval of the Director for any change in technology used to transmit sales transaction data.

B. If the Director determines a change reported under subsection (A) is substantial, the Director may, at the Director's discretion, place the request for approval before the Commission.

R19-2-407. ADWP ADW Permit Renewal

~~A permittee~~ A licensed ADWP that holds an ADW permit shall apply to the ~~Department~~ Division for renewal of its ~~ADWP~~ ADW permit before the permit expires. The application for renewal shall provide the information required on a form available from the ~~Department~~ Division.

R19-2-408. ADWP Licensing

A. The following individuals shall be licensed as required by the ~~Department~~ Division:

1. An individual with at least 10 percent ownership interest in the ~~ADW~~ ADWP; and
2. All ADWP employees working in Arizona.

B. An ADWP shall ensure ~~that~~ all ADWP employees working in another jurisdiction are licensed as required by that jurisdiction.

R19-2-409. ADW ADWP – ~~Racetrack~~ Permittee Contracts

A. An ADWP that accepts accounts from Arizona residents shall obtain and maintain a contract with one or more Arizona ~~racetrack~~ permittees. The ADWP shall ensure ~~that~~ the contract includes:

1. Disclosure of Regulatory Wagering Assessments (RWA) assignment of responsibility for payment of:
 - a. The assessment on wagers placed by Arizona account holders on races conducted in Arizona, which will be considered to be live, in-state, off-track wagers; and

- b. The assessment on wagers placed by Arizona account holders on races conducted outside of Arizona, which will be considered to be simulcast, in-state, off-track wagers;
 2. Disclosure of all ~~ADWs wagering racetracks on which the ADWP operates ADW~~ on any races run in this jurisdiction, and all ~~ADWs wagering racetracks on which the ADWP operates ADW~~ on races run in other jurisdictions that would be available for wagering in this jurisdiction under the contract;
 3. Certification of ~~ADW~~ ADWP licensing, authorization, or approval by the recognized pari-mutuel authority in the other jurisdiction;
 4. Disclosure of all fees, market share revenue, and distribution details and other financial considerations relating to the contract ~~and any other non-contracted~~ between the ADWP and each Arizona racetrack permittees permittee;
 5. Certification of prompt access for the ~~Department~~ Division, in print or electronic form acceptable to the ~~Department~~ Division, to:
 - a. Reports, logs, wagering transaction detail, and customer account detail;
 - b. Records relating to customer ~~identify~~ identity, age, and residency;
 - c. Records of customer account detail for individuals:
 - i. In any jurisdiction ~~that places~~ who place wagers on races conducted in this jurisdiction and races available for wagering by individuals in this jurisdiction;
 - ii. The ~~Department~~ Division has reason to investigate based on possible placing of wagers for individuals other than the account holder; and
 - iii. Determined by the ~~Department~~ Division to be relevant to an investigation by the ~~Department~~ Division;
 6. A detailed description and certification of systems and procedures used to validate the identity, age, and jurisdiction of legal residence of account holders and to validate the legality of wagers accepted;
 7. Certification of secure retention of and prompt ~~Department~~ Division access to all records related to wagering and customers' accounts, including deposits, withdrawals, wagers, and winning payouts for at least three years or a longer period specified by the ~~Department~~ Division; and
- B.** An ADWP shall attach the following to all contracts under this subsection:
1. A certified copy of rules governing the acceptance and management of accounts, and
 2. A certified copy of any change in the rules provided at least thirty days before the change takes effect.

R19-2-410. ADW Accounts

- A.** An individual who wishes to establish an ADW account shall establish the account in person or by mail, telephone, or other electronic means before making any wager. The individual establishing an ADW account shall:
1. Establish the account in the individual's name,
 2. Be at least 21 years old, and
 3. Not be prohibited from wagering by Arizona rules or statutes.
- B.** An ADW account is not transferable.
- C.** An ADWP shall obtain the following regarding an individual who wishes to establish an ADW account:
1. Full legal name;
 2. Address of principal residence;
 3. Address to which communications are to be delivered if different from the principal residence address;
 4. Telephone number;
 5. Social Security number;
 6. Copy of evidence ~~that~~ the individual is at least 21 years old; and
 7. Whether the individual will use cash, personal check, credit or debit card, or electronic funds transfers to make ADW deposits ~~through the use of cash, personal check, credit or debit card, or electronic funds transfers.~~
- D.** An ADWP shall electronically verify an ADW-account applicant's name, principal residence address, date of birth, and Social Security number at the time application is made using a ~~Department~~ Division-approved national, independent, individual reference company or other independent technology approved by the ~~Department~~ Division.
- E.** An ADWP may refuse to establish an ADW account if ~~it~~ the ADWP determines ~~that~~ any of the information supplied by an applicant is untrue or incomplete and may, at any other time, with reasonable cause, refuse to accept a wager or deposit.
- F.** An ADWP shall designate each ADW account with a unique account number. The ADWP may change an ADW account number if the ADWP provides notice to the account holder before the change is made.
- G.** An ADWP shall ensure ~~that~~ an ADW-account holder is able to access the account holder's account by means of personal identification or account password.
- H.** When an ADW account is established, the ADWP shall:
1. Inform the account holder of the assigned account number; and

2. Provide the account holder a copy of the ADWP's advance deposit wagering procedures, terms and conditions, and other information pertaining to the operation of the ADW account including any rules the ADWP has made concerning deposits, withdrawals, average daily balance, user fees (including for EFT deposits), interest payments, and any other aspect of the operation of the account.
- I. An ADWP shall notify an account holder before making any change to the rules governing the account and provide an opportunity for the account holder to close or cash-in the account. The ADWP may deem an account holder to have accepted the rules of account operation when the account holder opens, places a wager, or does not close the account.
 - J. An ADWP shall comply with Internal Revenue Service (IRS) requirements for reporting and withholding proceeds from advance deposit wagers by account holders. The ADWP shall send an account holder subject to IRS reporting or withholding a form W2-G summarizing the information for tax purposes following a winning wager being deposited into the account holder's account. Upon written request, the ADWP shall provide an account holder with summarized tax information on advance deposit wagering activities.
 - K. An account holder is deemed to be aware of the status of the account holder's account at all times. An ADWP shall not accept a wager that exceeds the available balance of an account. An account not updated when a transaction is completed shall be inoperable until the account balance is updated and the transaction is posted.
 - L. When an ADW account is entitled to a payout or refund, the ADWP shall credit the monies to the account. This will increase the balance in the account. The account holder shall verify that proper credits have been made and, if in doubt, notify the ADWP within the agreed upon time for consideration. The ADWP or the account holder may forward an unresolved dispute to the ~~Department~~ Division. The ~~Department~~ Division shall not consider a dispute unless it is submitted in writing and accompanied by supporting evidence.
 - M. Account Operation.
 1. An ADWP shall maintain complete records of every deposit, withdrawal, wager, and winning payout for each ADW account. The ADWP shall make these records available to the ~~Department~~ Division promptly ~~upon~~ on request and retain the records for ~~the time required under R19-2-502(A)~~ one year from the end of the contracted permittee's racing meeting.
 2. An ADWP may allow an ADW account holder to make wagers on racing meetings or simulcasted races from the account by telephone, in person, or over the Internet through websites and on mobile devices, as authorized under A.R.S. § 5-1314(B).

3. An ADWP shall use a geofence system to monitor the physical location of an ADW account holder attempting to make a wager on a racing meeting or simulacast race. The ADWP shall ensure the geofence system:
 - a. Performs a geofence check before a wager is made;
 - b. Performs recurring geolocation checks throughout an account holder's wagering session;
 - c. Blocks wagers from an account holder within the boundaries of tribal lands;
 - d. Provides notice to an account holder when there is a geofence failure that prevents wagering;
 - e. Provides the Division with real-time access to the geofence data; and
 - f. Maintains a log of all attempts to place wagers from within the boundaries of tribal lands and makes the log available to the Division on request.
4. ~~Additionally, only~~ Only Arizona racetracks or additional wagering facilities granted permits by the ~~Racing~~ Division may be licensed as Limited Event Wagering Operators in compliance with A.R.S. Title 5, Chapter 11 and A.A.C. Title 19, Chapter 4, Article 1.
- ~~3.5. Placing or accepting wagers on racing meetings or simulcasted races over the communications facility known as the Internet is authorized to the extent that such activity complies with A.R.S. § 5-1314(B). Transmittal of~~ A person may transmit or receive handicapping data, race results, or other information relating to pari-mutuel wagering over the Internet is permitted.
- ~~4.6.~~ An ADWP shall ensure ~~that~~ the ADW system provides for the account holder to review and finalize a wager before the wager is accepted by the ADW system. Neither the account holder nor the ADWP shall change a wager after the account holder has reviewed and finalized the wager except as allowed under R19-2-504(C).
- N. An ADWP may close an ADW account when the account holder attempts to operate with an insufficient balance or when the account is dormant for a period approved by the ~~Department~~ Division. When an ADWP closes an ADW account, the ADWP shall refund the remaining account balance to the account holder.

R19-2-411. Advance Deposit Wagering

- A. All ~~Department~~ Division rules governing pari-mutuel wagering govern advance deposit wagering. Advance deposit monies wagered are part of the pool of the sending track for reporting purposes.
- B. An ADWP shall maintain ADW sales transaction data from the ADWP to each host track as a separate account for audit purposes.
- C. An ADWP shall make ADW sales transactions using currently approved technology.

- D. An ADWP shall pay to the ~~Department~~ Division an advance deposit wagering assessment of 0.6 percent from the gross revenues generated by advance deposit wagering.

R19-2-412. Teletrack Wagering

- A. All ~~Department~~ Division rules governing pari-mutuel wagering govern teletrack wagering. Teletrack monies wagered are part of the pool of the sending track for reporting purposes.
- B. ~~An ADWP~~ A teletrack wagering permittee shall maintain sales transaction data from a teletrack wagering facility to the sending track as a separate account for audit purposes.
- C. ~~An ADWP~~ A teletrack wagering permittee shall make teletrack sales transaction data using currently approved technology and transmit the teletrack data separately from pari-mutuel data and the visual display of races.
- D. If there is an interruption of transmission of teletrack sales ~~transaction~~ transactions or pari-mutuel output data to or from the teletrack wagering facility, the designated representative of the ~~Department~~ Division may require that the amount of wagers that have been accepted be deducted from the sending track pool, the odds recalculated, and monies ~~bet~~ wagered at the teletrack wagering facility refunded, taking into consideration time, the extent of the breakdown, and the amount of monies wagered.

R19-2-413. General Provisions Regarding Teletrack Wagering Facilities

- A. At the Director's discretion, a ~~Department~~ Division representative may be present during all operating hours at a teletrack wagering facility.
- B. A teletrack wagering permittee shall, during all operating hours, have back-up or replacement tote equipment available so the down time in the event of equipment failure does not exceed 60 minutes. At a teletrack sites wagering facility with multiple teller ~~equipment~~ machines installed, back-up equipment may consist of the remaining operating teller machines if the remaining teller machines are sufficient to handle the reasonably anticipated volume of sales transactions without unreasonable delays or inconvenience to patrons.
- C. During a racing program, the teletrack wagering permittee shall report any problems or delays to the public.
- D. A teletrack wagering permittee shall ensure ~~that~~ security measures are adequate to control disturbances.
- E. A teletrack wagering permittee shall ensure ~~that~~ communications between the sending track and teletrack wagering facility occur without delay. The teletrack wagering permittee shall establish a

policy for paying off or refunding pari-mutuel tickets ~~In a tote to tote situation,~~ if the data transmission link between ~~the~~ tote systems fails, ~~the teletrack wagering permittee shall decide the policy for paying off or refunding pari-mutuel tickets and all other~~ or another communication failures failure occurs at the teletrack site.

- F. A teletrack wagering permittee shall make photo finish pictures of the previous day's live races available for viewing upon request within 48 hours.
- G. If a video display of any portion of a racing program is provided at a teletrack wagering location, the video display shall include the following, if possible:
 - 1. All wagering information including pool totals, will pays, or odds as offered to the general public at the permittee racetrack location;
 - 2. Each race shown live, as it is run or received at the permittee ~~premises~~ grounds;
 - 3. Race results;
 - 4. Prices or ~~payoff~~ payout;
 - 5. Minutes to post; and
 - 6. The race number and track for which the above information is displayed.
- H. A teletrack wagering permittee shall make Arizona pari-mutuel rules available in the wagering area. This requirement may be met by publishing the ~~Department's~~ Division's rules-page web address in the racing program and on the permittee's ~~web-site~~ website.
- I. A teletrack wagering permittee shall make the results of each race, and the winnings from each race, available from tellers or results-posting terminals as soon as possible at each teletrack wagering facility and ~~shall make the results available to the wagering public~~ for 24 hours on the race day following the day of the race.
- J. A teletrack wagering permittee shall report to the ~~Department~~ Division any violation or suspected violation of law that occurs on or about the premises of the teletrack wagering facility.
- K. A teletrack wagering permittee shall make daily handle and estimated attendance reports for each teletrack wagering facility as prescribed by the ~~Department~~ Division.
- L. Betting Wagering period:
 - 1. A teletrack wagering permittee shall conduct wagering only during periods approved by the Director or Commission in respect to any race, racing card, pool, or feature pool.
 - 2. The Director may prescribe the closing time for pari-mutuel equipment at each teletrack wagering facility based on the level of sophistication of the pari-mutuel ~~equipment~~ and transmission equipment.

- M. A teletrack wagering permittee shall obtain the Director's written approval of the method used to transmit sales transaction and pari-mutuel output data. The Director shall base approval on determination that provisions to secure the system and transmissions are satisfactory.
- N. A teletrack wagering permittee shall provide computer reports pertaining to pari-mutuel activity as required by the Director.

R19-2-414. Application for ~~Original~~ Teletrack Wagering Permit; Plan of Operation; ~~Renewals of Teletrack Wagering Permit~~ Renewal

- A. Only a permittee may apply for a teletrack wagering permit. An applicant for a teletrack wagering permit shall submit an application and plan of operation to the Commission. The Commission shall issue a teletrack wagering permit for no more than three years.
- B. An applicant shall include the following in the plan of operation:
 1. A feasibility study that estimates both gross revenue from the teletrack wagering operation and costs to operate. The feasibility study shall include:
 - a. Types of wagering to be offered and hours during which pari-mutuel windows will be in operation,
 - b. Estimated attendance at all additional teletrack wagering facilities,
 - c. Level of anticipated wagering activity,
 - d. Source and amount of estimated revenues other than pari-mutuel wagering,
 - e. Cost of operating the teletrack wagering system,
 - f. Amount and source of revenues needed ~~for financing~~ to finance the teletrack wagering operation,
 - g. Proof of financial stability and assets sufficient to cover projected costs, and
 - h. Estimate of the total amount of anticipated revenues to be paid to the state resulting from teletrack wagering operations;
 2. The following information regarding any group, concession, or contract related to the teletrack wagering operation whether within or outside of Arizona unless the information is already on record with the ~~Department~~ Division as part of the applicant's ~~original~~ application to operate a racing ~~meet~~ meeting:
 - a. Copy of all contracts to provide service within Arizona;
 - b. ~~Name~~ Names and ~~background~~ backgrounds of the individuals responsible for operating the teletrack wagering system;

- c. Copies of proposed agreements for ~~any~~ transmission of ~~audio-visual signals~~ of racing events and ~~the transmission~~ of sales transaction and pari-mutuel output data; and
 - d. Other information that, in the Director's judgment, is or may be material, such as information pertaining to financial background and persons associated with the parties to the contract;
3. The following information regarding security:
- a. ~~Security measures~~ Measures to be employed to protect the teletrack wagering facilities,
 - b. ~~Security measures~~ Measures to be employed to protect the public, and
 - c. ~~Security measures~~ Measures to be employed to protect transmission of sales transaction and pari-mutuel output data; and
4. The following information regarding equipment, communication, and transmission:
- a. Type of data processing, communication, and transmission equipment to be used;
 - b. Description of all computer services and all other methods used to transmit any data or signal; and
 - c. Description of any alternate or backup system in case of ~~principal system~~ failure of the principal communications or data-processing equipment used for forwarding wagers.
- C. Approval and amendments. A teletrack wagering permittee shall conduct a teletrack wagering operation only according to the provisions of an approved plan of operation. The teletrack wagering permittee shall obtain the Director's written approval ~~for any~~ before making a change to the plan of operation. The teletrack wagering permittee shall:
- 1. Notify the ~~Department~~ Division of any anticipated change in the plan of operation;
 - 2. Report to the ~~Department~~ Division any changes in ownership or management ~~groups~~,
 - 3. Provide the ~~Department~~ Division with a copy of all new contracts or amendments to existing ~~ones~~ contracts, and
 - 4. Request the approval of the Director for any change in technology used to transmit sales transaction data.
- D. Renewal. A teletrack wagering permittee shall apply to the Commission for renewal of ~~its~~ the teletrack wagering permit at the time the permittee ~~makes application for a~~ applies under R19-2-103 to renew a permit to operate a racing ~~meet~~ meeting. The teletrack wagering permittee shall include in the renewal application the information required in subsections (B)(1) through (4).

R19-2-415. Approval of Additional Teletrack Wagering ~~Facilities~~ Facility; Plan of Operation; ~~Renewal or Approval of Additional Wagering Facilities~~

- A. A teletrack wagering permittee shall request approval from and submit a plan of operation to the Commission ~~for each~~ before operating an additional teletrack wagering facility. The Commission shall issue a permit for an additional teletrack wagering facility for no more than three years.
- B. The teletrack wagering permittee shall include the following in the plan of operation regarding the additional teletrack wagering facility:
1. A feasibility study that estimates both gross revenue from the additional teletrack wagering facility and estimated costs to operate the facility. The feasibility study shall include:
 - a. Types of wagering to be offered and the hours during which pari-mutuel windows will be in operation,
 - b. Level of anticipated wagering activity,
 - c. Source and amount of revenues needed ~~for financing~~ to finance the additional teletrack wagering operation,
 - d. Proof of financial stability and assets sufficient to cover projected costs, and
 - e. Estimate of the total amount of anticipated revenues to be paid to the state resulting from teletrack wagering operations;
 2. The following information regarding any group, concession, or contract related to the teletrack wagering operation whether within or outside of Arizona unless the information is already on record with the ~~Department~~ Division:
 - a. Listing and background of the management groups responsible for ~~operation of~~ operating the additional teletrack wagering facility;
 - b. ~~Name~~ Names of all individuals who own at least 10 percent of the additional teletrack wagering facility; and
 - c. Other information that, in the Director's judgment, is or may be material, such as information pertaining to financial background and persons associated with the parties to the contract;
 3. ~~Measures~~ Security measures to be employed by the teletrack wagering permittee to protect the facility, employees, public, and wagering dollars;
 4. Location of the additional teletrack wagering facility;
 5. Proof that approval for use of the additional teletrack wagering facility to handle pari-mutuel wagering has been given by the governing body of the city or town or by the board of supervisors; if the additional teletrack wagering facility is located in an unincorporated area; and
 6. Building plans and specifications that demonstrate sufficient area for patrons to handicap the races and reasonable access by individuals with a disability.
- C. Approval and amendments. The requirements in R19-2-414(C) apply.

- D.** Renewal. When a teletrack wagering permittee ~~makes application~~ applies to renew the teletrack wagering permit, the permittee shall provide the ~~Department~~ Division a list of ~~it's the~~ the permittee's existing additional teletrack wagering facilities. When the ~~Director~~ Commission approves renewal of the teletrack wagering permit, the Director may approve:
1. Renewal of the existing additional teletrack wagering facilities, and
 2. The permittee's application to begin operation at a teletrack wagering facility previously approved by the Commission and currently used by another permittee.
- E.** After the Commission approves an additional teletrack wagering facility, the permittee shall not open the additional teletrack wagering facility for business for five working days or until all licensing requirements are satisfied. If the necessary licensing requirements are completed in ~~less~~ fewer than five working days, the Director may waive the remaining days.

R19-2-416. Suspension of Teletrack Wagering Permit

- A.** The Director or the Director's designee may suspend a teletrack wagering permit or a permit to operate an additional teletrack wagering facility if the permittee fails to conduct operations in accordance with the provisions of the approved plan of operation, A.R.S. Title 5, Chapter 1, this Chapter, ~~or~~ and directives from the Director.
- B.** If the Director finds that the public health, safety, or welfare imperatively requires emergency action, the Director shall order summary suspension of a teletrack wagering permit or any permit authorizing operation of an additional teletrack wagering facility, pending a hearing.

R19-2-417. Licensing of Employees at Teletrack Wagering Facilities

- A.** A teletrack wagering permittee shall ensure ~~that~~ no teletrack wagering occurs at a teletrack wagering facility until all individuals required to be licensed under subsection (B) have been licensed.
- B.** A teletrack wagering permittee shall ensure ~~that~~ the following individuals are licensed by the ~~Department~~ Division before participating in teletrack wagering and as circumstances or personnel change during the course of the teletrack permit period:
1. All individuals employed by the permittee at any teletrack wagering facility,
 2. All persons ~~who~~ that own at least 10 percent of a teletrack wagering facility leased by the permittee,
 3. Any individual employed ~~by~~ at the teletrack wagering facility who has responsibility as manager of the facility during operating (racing) hours, and
 4. Any other person designated by the Director.

R19-2-418. Directives

~~Notwithstanding anything contained in this Article, The Director is authorized to make decisions on matters concerning teletrack wagering facility operations may be made by the Director, within the scope of the Director's statutory authority.~~ The Director's decisions shall be effective immediately upon written notification.

R19-2-419. Simulcast Wagering

- A. ~~The Department Division~~ may authorize a ~~racetrack~~ permittee to conduct simulcasting as defined in A.R.S. § 5-101 and authorized under A.R.S. § 5-112 and the ~~Interstate Horse Racing Act of 1978 IHA.~~
- B. A ~~racetrack~~ permittee that wishes to conduct simulcasting shall submit a written request for sending or receiving of simulcasts ~~in writing~~ to the Director ~~of the Department.~~
- C. ~~For initial~~ To obtain approval of horse simulcasts, ~~the Department requires~~ a permittee shall submit the following to the Division:
 - 1. A completed simulcast ~~agreement contract~~ between a ~~racetrack~~ the permittee and an out-of-state entity;
 - 2. Written approval of the out-of-state horsemen's group, if applicable;
 - 3. Written approval of the out-of-state racing commission; and
 - 4. Written approval of the local horsemen's group. For purposes of this Section, horsemen's group is the group that represents a majority of the horsemen racing at or contracted with the ~~racetrack~~ permittee.
- D. ~~For initial~~ To obtain approval of greyhound simulcasts, ~~the Department requires~~ a permittee shall submit the following to the Division:
 - 1. A completed simulcast ~~agreement contract~~ between a ~~racetrack~~ the permittee and an out-of-state entity, and
 - 2. Written approval of the out-of-state racing commission.
- E. Withdrawal of any of the written approvals required under subsections (C) and (D) constitutes grounds for the ~~Department Division~~ to rescind ~~authorization~~ approval for simulcasting.
- F. To renew approval for simulcasting, a ~~racetrack~~ the permittee shall submit complete contracts including any changes or addendums to the ~~previous contract~~ contracts submitted under subsections (C)(1) or (D)(1), addendums and current signature pages. ~~Alternatively, and at the Department's~~

~~option, the Department may accept an updated list of simulcast import host signals to be received and export guest wagering locations to be hosted by the Arizona racetrack permittee.~~

G. Additional wagering facilities.

1. A ~~racetrack~~ permittee may conduct simulcasting at the racetrack enclosure and at any additional wagering facility operated by the ~~racetrack~~ permittee if the additional wagering facility is included in the simulcast ~~agreement~~ contract.
2. A ~~racetrack~~ permittee may send its simulcast signal to an out-of-state racetrack enclosure and any additional wagering facilities operated or used by the out-of-state entity if all locations receiving the simulcast signal are included in the simulcast ~~agreement~~ contract.

H. Duties of Arizona sending ~~racetrack~~ permittee.

1. If video is to be transmitted, the sending ~~racetrack~~ permittee is responsible for the content of the simulcast video program and shall use all reasonable effort to present a simulcast that offers viewers an exemplary depiction of each performance.
2. Unless otherwise permitted by the ~~Department~~ Division, every sent simulcast video program shall contain in its video content a digital signal of actual time of day, the name of the ~~host~~ sending facility from which the signal emanates, the number of the contest being displayed, minutes to post, and any other relevant information available to patrons at the sending facility.

I. Duties of Arizona receiving ~~racetrack~~ permittee.

1. A receiving ~~racetrack~~ permittee conducting a commercial racing meet in this state may, with approval of the ~~Department~~ Division, conduct and operate a pari-mutuel wagering system on the results of contests being held or conducted and simulcast from the enclosures of one or more sending ~~racetrack~~ permittees outside this state.
2. A receiving ~~racetrack~~ permittee shall provide:
 - a. If video will be displayed, adequate receiving equipment of acceptable broadcast quality for providing any sending-facility patron information;
 - b. Pari-mutuel terminals, pari-mutuel odds displays, modems, and switching units enabling pari-mutuel data transmissions and data communications between the sending and receiving ~~racetrack~~ permittees; and
 - c. In the case of separate pool simulcasting, a voice communication system between the receiving ~~racetrack~~ permittee and the sending ~~racetrack~~ permittee providing timely voice contact among ~~Department~~ Division designees, placing judges, and pari-mutuel departments.
3. A receiving ~~racetrack~~ permittee shall conduct pari-mutuel wagering in compliance with this Chapter.

4. The ~~Department~~ Division may appoint at least one designee to supervise all approved simulcast facilities and may require additional designees as is reasonably necessary to protect the public interest.
- J. In accordance with R19-2-505, a ~~racetrack~~ permittee may make a written request to the Director for authorization to conduct advance performance wagering.

R19-2-420. Interstate Common Pool Wagering

A. General provisions.

1. All contracts governing participation by a ~~racetrack~~ permittee in interstate common pools shall be submitted to the ~~Department~~ Division. All parties to the contracts shall certify to the other parties that each will provide the others or their regulatory bodies full and prompt access to necessary requested records.
2. Individual wagering transactions are made at the point of sale in the state where placed. Pari-mutuel pools are combined solely for computing odds and calculating ~~payoffs~~ payouts but will be held separate for auditing and all other purposes.
3. 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 the information permitted or required to be displayed under these rules.
4. A ~~racetrack~~ permittee may participate in common pool wagering only on the same type of racing as authorized by the permit for live racing conducted by the ~~racetrack~~ permittee.

B. Participation in interstate common pools by receiving ~~racetrack~~ permittee.

1. With ~~prior~~ approval of the ~~Department~~ Division, pari-mutuel wagering pools may be combined with corresponding wagering pools at the sending facility outside of this state.
2. The ~~Department~~ Division may permit adjustment of the takeout from the pari-mutuel pool so the takeout rate in this jurisdiction is identical to that at the sending ~~track~~ facility (within the limits permitted by state law).
3. 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.
4. Rules of racing established for the contest in the sending ~~track~~ facility apply to the merged pool.
5. If, for any reason, it becomes impossible to merge successfully the ~~bets~~ wagers placed into the interstate common pool, the ~~racetrack~~ permittee shall declare the accepted ~~bets~~ wagers void and make refunds in accordance with applicable rules except that, with permission of the ~~Department~~ Division, the ~~racetrack~~ permittee may determine to make ~~payoffs~~ payouts in accordance with ~~payoff~~ payout prices that would have been in effect if prices for the pool of ~~bets~~ wagers were

calculated without regard to wagers placed elsewhere or pay winning tickets at the ~~payoff~~ payout prices at the sending ~~track~~ facility. The permittee shall publish the chosen policy under this subsection in the daily racing program and on the permittee's ~~web site~~ website and post the policy in all wagering locations.

C. Participation in merged pools by sending ~~racetrack~~ permittee.

1. With ~~prior~~ approval of the ~~Department~~ Division, a ~~racetrack~~ permittee conducting a live race meet and pari-mutuel wagering may determine that all or part of the racing program be used for pari-mutuel wagering by sending all or part of the racing program to facilities outside this state and may also determine that pari-mutuel pools at the out-of-state facilities be combined with corresponding wagering pools established by the permittee as the sending ~~track~~ facility.
2. This Chapter applies to interstate common pools unless the ~~Department~~ Division specifically determines otherwise.
3. A ~~racetrack~~ permittee shall ensure ~~that~~ any contract for interstate common pools entered contains a provision providing that if, for any reason, it becomes impossible to merge successfully the ~~bets~~ wagers placed in another state into the interstate common pool formed by the ~~racetrack~~ permittee or if, for any reason, the ~~Department's~~ Division's or the ~~racetrack~~ permittee's representative determines that attempting to effect transfer of pool data from the receiving facility may endanger the ~~racetrack~~ permittee's wagering pool, the ~~racetrack~~ permittee has no liability for any measures taken that may result in the receiving facility's wagers not being accepted into the pool.
4. Amounts wagered in an interstate common pool other than amounts wagered within this state are not considered part of the ~~racetrack~~ permittee's pari-mutuel wagering pool for purposes of A.R.S. § 5-111. A ~~racetrack~~ permittee may charge a fee to a receiving facility or location outside this state for the privilege of conducting pari-mutuel wagering on a race and participating in the interstate common pool and for payment of costs incurred to transmit the broadcast of the race.

D. Takeout rates in interstate common pools. With ~~prior~~ approval of the ~~Department~~ Division, a ~~racetrack~~ permittee wishing to participate in an interstate common pool may change its takeout rate (within the limits permitted by state law) to achieve a common pool takeout rate with all other participants in the interstate common pool.

ARTICLE 5. PARI-MUTUEL WAGERING

R19-2-501. General

~~Each~~ A permittee shall conduct wagering in accordance with applicable laws and these rules. ~~Such~~ wagering shall and employ a pari-mutuel system approved by the ~~Department~~ Division. The permittee

~~shall ensure the~~ totalisator ~~shall be~~ is tested ~~prior to~~ before and during the racing meeting as required by the Department Division.

R19-2-502. Records

- A. The permittee shall maintain records of all wagering for one year from the ~~end~~ last day of the racing ~~meet~~ meeting ~~or end of the racetrack's fiscal year~~, the same term for which ~~outs~~ pari-mutuel tickets are valid, so the Department Division may review the records for any contest. ~~Wagering~~ The permittee shall ensure records maintained ~~shall~~ include the opening line, subsequent odds fluctuation, the amount and at which pari-mutuel window wagers were placed ~~on any betting~~, interest, and other information ~~as may be required by the Division~~. The permittee shall retain and safeguard the wagering records ~~shall be retained by each permittee and safeguarded~~ for the period specified by the Department Division. The Department Division may require that certain records be made available to the wagering public at the completion of each contest.
- B. The permittee shall provide the Department Division with a list of the licensed individuals ~~afforded~~ allowed access to pari-mutuel records and equipment at the wagering facility.

R19-2-503. Pari-mutuel Tickets

A. A pari-mutuel ticket is evidence of a contribution to the pari-mutuel pool operated by the permittee and is evidence of the obligation of the permittee to pay to the pari-mutuel ticket holder ~~thereof such~~ the portion of the distributable amount of the pari-mutuel pool ~~as is~~ represented by ~~such~~ the valid pari-mutuel ticket. The permittee shall cash ~~all~~ a valid winning ~~tickets~~ pari-mutuel ticket when ~~such~~ are the ticket is presented for payment during the course of the racing meeting where sold, and for a ~~one year period~~ one year after the last day of the racing meeting. ~~Each~~ By purchasing a pari-mutuel ticket, the purchaser agrees to abide by the terms and provisions of these rules, other applicable rules of the Arizona Racing Commission, and ~~by~~ the laws of the state of Arizona.

- ~~1.~~B. ~~To be deemed a valid~~ A pari-mutuel ticket, ~~such is valid only if the ticket shall have been is~~ issued by a pari-mutuel ticket machine operated by the permittee, ~~and~~ recorded as a ticket entitled to a share of the pari-mutuel pool, ~~and contain~~ contains the following imprinted information ~~as to:~~
- ~~a.~~1. The name of the permittee operating the racing meeting,
 - ~~b.~~2. A unique identifying number or code,
 - ~~c.~~3. Identification of the terminal at which the ticket was issued,
 - ~~d.~~4. ~~A designation of the performance for which the wagering transaction was issued~~ The date of the wagering transaction,

- e.~~5.~~ The contest number for which the pool is conducted,
- f.~~6.~~ The type or types of wagers represented,
- g.~~7.~~ The number or numbers representing the ~~betting~~ wagering interests for which the wager is recorded,
- h.~~8.~~ The amount or amounts of the contributions to the pari-mutuel pool or pools for which the ticket is evidence; and
- 9. The date on which the pari-mutuel ticket expires.

~~2-C.~~ No The permittee shall deem a pari-mutuel ticket recorded or reported as previously paid, cancelled, or nonexistent shall be deemed a valid pari-mutuel ticket by the permittee as invalid. The permittee may withhold payment and refuse to cash ~~any~~ a pari-mutuel ticket deemed ~~not valid~~ invalid, except as provided in R19-2-504(E) ~~of these rules.~~

R19-2-504. Pari-mutuel Ticket Sales

- A. ~~Pari-mutuel tickets shall be sold only by a~~ Only a permittee licensed to conduct pari-mutuel wagering or a ~~racetrack~~ permittee-contracted ADWP is authorized to sell pari-mutuel tickets. All pari-mutuel tickets shall be sold as prescribed under A.R.S. §§ 5-111 and 5-112.
- B. A permittee shall ensure a pari-mutuel ticket may is not be sold on a contest for which wagering has been closed, and a The permittee shall is not be responsible for sales entered into but not completed by issuance of if a pari-mutuel ticket is sold but not issued before the totalisator is closed for wagering on the contest.
- C. ~~Claims pertaining to~~ A claim about a mistake on an issued or unissued ticket must be made by the ~~bettor person~~ person before leaving the ~~seller's~~ pari-mutuel window. ~~Cancellation~~ The permittee shall not cancel or exchange of tickets a ticket issued shall not be permitted after a patron has left a seller's the person leaves the pari-mutuel window except in accordance with written policies established by the racetrack permittee and approved by the Department Division. An ADWP shall abide by the most restrictive policy regarding cancelling or exchanging tickets established by any of the ~~racetrack~~ permittees with which the ADWP contracts.
- D. ~~Payment on~~ The permittee shall pay winning pari-mutuel wagers ~~shall be made~~ on the basis of the order of finish as ~~purposefully~~ posted and declared "official." Any change in the order of finish or award of purse money that results from a subsequent ruling by the stewards or ~~Department~~ Division shall ~~in no way not~~ affect the pari-mutuel ~~payoff~~ payout. If an error in the posted order of finish or ~~payoff figures~~ payout is discovered, the official order of finish or ~~payoff prices~~ payout may be corrected and the permittee shall ensure an announcement concerning the change shall be is made to the public.

- E. A racetrack permittee shall not satisfy ~~claims~~ a claim on a lost, mutilated, or altered pari-mutuel tickets ticket without authorization of the ~~Department~~ Division.
- F. A racetrack permittee has no obligation to enter a wager into a ~~betting~~ wagering pool if unable to do so due to equipment failure.
- G. ~~Pari-mutuel tickets~~ A permittee shall ~~neither be sold to nor purchased by~~ not sell a pari-mutuel ticket to anyone less than 21 years old.

R19-2-505. Advance Performance Wagering

No ~~A~~ permittee shall ~~permit~~ not allow wagering to begin more than one day before the scheduled post time of the first contest of a performance ~~unless it has first obtained the~~ without authorization of the ~~Department~~ Division.

R19-2-506. Claims for Payment from Pari-mutuel Pool

~~At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by the permittee in any case where the~~ If a permittee has withheld withholds payment or ~~has refused~~ refuses to cash a pari-mutuel wager ticket, the ticket holder may submit a written claim for payment at a location designated by the permittee. The ticket holder shall make the claim ~~shall be made on such~~ using a form as approved by the ~~Department~~ Division; and ~~the claimant shall make such claim~~ under penalty of perjury. The permittee shall forward the original ~~of such claim~~ for payment ~~shall be forwarded~~ to the ~~Department~~ Division within 48 hours.

1. ~~In the case of a~~ If the claim made for payment ~~of~~ involves a mutilated pari-mutuel ticket ~~which~~ that does not contain all the total imprinted elements required ~~pursuant to~~ under R19-2-503(4)(B) of these rules, the permittee shall make a recommendation ~~to accompany the claim forwarded to the Department~~ Division as to whether ~~or not~~ the mutilated ticket has sufficient elements to be positively identified as a winning ticket.
2. ~~In the case of a claim made for payment on a pari-mutuel wager, the Department~~ The Division shall adjudicate the claim for payment and may order payment ~~thereon~~ from the pari-mutuel pool or by the permittee, ~~or may deny the claim, or may make such other~~ another order as it may deem the Division deems proper.

R19-2-507. Payment for Errors

If an error occurs in the payment amounts for pari-mutuel wagers which tickets that are cashed or entitled to be cashed and, as a result of such the error, the pari-mutuel pool involved in the error is not correctly distributed among winning ticket holders, the following shall apply:

1. ~~Verification~~ The permittee shall provide verification to the Division is required to show showing that the amount of the commission, the amount in breakage, and the amount in payoffs payouts is equal to the total gross pool. If the amount of the pool is more than the amount used to calculate the payoff payout, the permittee shall pay the underpayment shall be paid to the Department Division for deposit into the State Treasury.
2. ~~Any~~ If an underpayment occurs, a ticket holder may file a claim not filed with the permittee within 30 days, inclusive of the date on which the underpayment was publicly announced, shall be A ticket holder who fails to file a claim within 30 days is deemed to have waived the claim, and the permittee shall have no further liability therefore for paying on the ticket.
3. ~~In the event~~ If the error results in an overpayment to winning wagers ticket holders, the permittee shall be responsible for such payment the overpayment.

R19-2-508. Betting Wagering Explanation

A racetrack permittee shall ensure that a summary explanation of pari-mutuel wagering and each type of betting wagering pool offered is published in the racing official race program for every wagering performance. The racetrack permittee shall make the rules of racing relative to each type of pari-mutuel pool offered available upon request through permittee representatives at all permittee wagering locations and shall post a link to the Department's Division's rules page on all permittee web sites websites.

R19-2-509. Display of Betting Wagering Information

- A. A racetrack permittee shall ensure that odds or will-pay amounts for win pool betting wagering are posted on display devices within view of the wagering public and updated at intervals of not more than 90 60 seconds.
- B. The racetrack permittee shall ensure that amounts wagered in total for the other pools and on each betting wagering interest or wager wagering combination are displayed to the wagering public at intervals and in a manner approved by the Department Division.
- C. Official The permittee shall display results and payoffs shall be displayed payouts when a contest is declared official.

R19-2-510. Cancelled Contests

If a contest is cancelled or declared “no contest,” the permittee shall grant refunds ~~shall be granted~~ on valid wagers in accordance with this Chapter.

R19-2-511. Refunds

A. Notwithstanding other provisions of these rules, a permittee shall refund ~~refunds of~~ the entire pool ~~shall be made~~ on:

1. Win pools, Exacta pools, and first-half Double pools offered in contests in which the number of ~~betting~~ wagering interests has been reduced to fewer than ~~2~~ two.
2. Place pools, Quinella pools, Trifecta pools, first-half Quinella Double pools, first-half Twin Quinella pools, first-half Twin Trifecta pools, and first-half Tri-Superfecta pools offered in contests in which the number of ~~betting~~ wagering interests has been reduced to fewer than ~~3~~ three.
3. Show pools, Superfecta pools, and first-half Twin Superfecta pools offered in contests in which the number of ~~betting~~ wagering interests has been reduced to fewer than ~~4~~ four.

B. ~~Authorized refunds shall be paid upon presentation and surrender of~~ The permittee shall pay an authorized refund when the affected pari-mutuel ticket is presented and surrendered.

R19-2-512. Coupled Entries and Mutuel Fields

A. Contestants coupled in wagering as a coupled entry or mutuel field shall be considered part of a single ~~betting~~ wagering interest for the purpose of price calculations and distribution of pools. ~~Should any~~ If a contestant in a coupled entry or mutuel field ~~be~~ is officially withdrawn or scratched, the remaining contestants in ~~that~~ the coupled entry or mutuel field ~~shall~~ remain valid ~~betting~~ wagering interests and no refunds will be granted. If all contestants within a coupled entry or mutuel field are scratched, ~~then~~ tickets on ~~such~~ the ~~betting~~ wagering interests shall be refunded, notwithstanding other provisions of these rules.

B. For the purpose of price calculations only, coupled entries and mutuel fields shall be calculated as a single finisher, using the finishing position of the leading contestant in ~~that~~ the coupled entry or mutuel field to determine order of placing. This rule ~~shall apply~~ applies to all circumstances, including situations involving a dead heat, except as otherwise provided by these rules.

R19-2-513. Pools Dependent ~~upon~~ Betting on Wagering Interests

- A. Unless the ~~Department~~ Division otherwise provides, at the time the pools are opened for wagering, the ~~racetrack~~ permittee:
1. Shall offer Win wagering on all contests with three or more ~~betting~~ wagering interests and may offer Win wagering on all contests with two or more ~~betting~~ wagering interests.
 2. Shall offer Place wagering on all contests with four or more ~~betting~~ wagering interests and may offer Place wagering on all contests with three or more ~~wagering~~ wagering interests.
 3. Shall offer Show wagering on all contests with five or more ~~betting~~ wagering interests and may offer Show wagering on all contests with four or more ~~betting~~ wagering interests.
 4. May offer Quinella wagering on all contests with three or more ~~betting~~ wagering interests.
 5. May offer Quinella Double wagering on all contests with three or more ~~betting~~ wagering interests.
 6. May offer Exacta wagering on all contests with two or more ~~betting~~ wagering interests.
 7. May offer Trifecta wagering on all contests with three or more ~~betting~~ wagering interests.
 8. May offer Superfecta wagering on all contests with four or more ~~betting~~ wagering interests.
 9. May offer Twin Quinella wagering on all contests with three or more ~~betting~~ wagering interests.
 10. Shall not offer first- or second-leg Twin-Trifecta or Tri-Superfecta wagering on any contests with six or fewer ~~betting~~ wagering interests in either leg of the wager.
 11. May offer ~~Pick-N~~ Pick (n) wagering on any consecutive contests that allow Win wagering.
 12. May offer Place ~~Pick-N~~ (Pick (n)) wagering on any consecutive contests that allow Place wagering.
 13. May prohibit wagering on any particular contestant in stakes races, if the exclusions are clearly indicated in the racing program.
- B. Before each racing ~~meet~~ meeting, the ~~racetrack~~ permittee shall establish and submit to the ~~Department~~ Division the pools to be offered with each number of ~~betting~~ wagering interests.

R19-2-514. Prior Approval Required for Betting Wagering Pools

- A. A permittee shall obtain written approval from the Division before:
1. ~~that desires to offer~~ Offering a new forms form of wagering ~~must apply in writing to the Department and receive written approval prior to implementing the new betting pool;~~
 2. Suspending a previously approved form of wagering; or
 3. Implementing a form of wagering or separate wagering pool for a specific performance.
- B. ~~The permittee may suspend previously approved forms of wagering with the prior approval of the Department. Any~~ When a previously approved form of wagering is suspended, the permittee shall

~~hold any carryover shall be held until the suspended form of wagering is reinstated. A permittee may request approval of a form of wagering or separate wagering pool for specific performances.~~

R19-2-515. Closing of Wagering in a Contest

- A. A ~~Department~~ Division representative shall close wagering for each contest. After wagering is closed, ~~the permittee shall ensure~~ no pari-mutuel tickets ~~shall be~~ are sold for ~~that the closed~~ contest.
- B. The ~~racetrack~~ permittee shall maintain, in good order, a system approved by the ~~Department~~ Division for closing wagering.
1. If the totalisator fails mechanically and becomes unreliable ~~as to~~ regarding the amounts wagered, ~~the permittee shall refund~~ all money wagered on the contest ~~shall be refunded~~.
 2. If a breakdown of the totalisator cannot be repaired during wagering on a contest, the Division representative shall declare the wagering for that contest ~~shall be declared~~ closed. The permittee shall calculate the payoff payout for a race closed because of totalisator breakdown ~~shall be computed~~ on the sums wagered in each pool before the breakdown.

R19-2-516. Complaints Pertaining to Pari-mutuel Operations

- A. ~~When~~ If a patron makes a complaint regarding the pari-mutuel department to a permittee, the permittee shall immediately ~~issue~~ prepare a written complaint report setting out:
1. The name of the complainant;
 2. The nature of the complaint;
 3. The name of the persons, if any, against ~~whom~~ which the complaint was made;
 4. The date of the complaint; and
 5. The action taken or proposed to be taken, if any, by the permittee.
- B. The permittee shall submit every complaint report to the ~~Department~~ Division within 48 hours after the complaint was made.

R19-2-517. Licensed ~~Employees~~ Employee's Duty to Report

~~All licensees~~ A licensed employee of a permittee shall report any known irregularities or wrongdoings by any person involving pari-mutuel wagering immediately to the ~~Department~~ Division and cooperate in subsequent investigations.

R19-2-518. State Mutuel Supervisor

- A. The Director shall appoint a state mutuel supervisor ~~who shall~~ to monitor the pari-mutuel department and wagering at all ~~race~~ racetrack meetings and additional wagering facilities.
- B. A permittee shall grant the state mutuel supervisor and ~~Department~~ Division unrestricted access to ~~it's~~ the ~~racetrack~~ permittee's facilities and equipment and ~~to all~~ books, ledgers, accounts, documents, and records pertaining to pari-mutuel wagering.
- C. ~~The state mutuel supervisor shall receive all requested information from a permittee's~~ A permittee shall ensure officers and employees of the permittee respond promptly to requests for information from and ~~shall receive full cooperation~~ cooperate fully with the state mutuel supervisor while the state mutuel supervisor is carrying out the duties of that office.
- D. The state mutuel supervisor shall report to the Director and stewards any failure of ~~the~~ a permittee, including ~~its~~ officers and employees of the permittee, to comply with ~~both the provisions of these rules and the laws of the state of Arizona.~~

R19-2-519. Mutuel Manager

- A. A permittee shall employ a mutuel manager of the permittee's pari-mutuel department.
- ~~A.B.~~ In the event of If there is an emergency in connection with the pari-mutuel department not covered in these rules, the mutuel manager ~~representing the permittee~~ shall report the ~~problem~~ emergency to the stewards and the permittee, ~~and the~~ . The stewards shall ~~render~~ submit a full report regarding the emergency to the ~~Department~~ Division within 48 hours.
- ~~B.C.~~ The mutuel manager shall ~~be responsible for the correctness of all payoff prices posted~~ ensure correct payout prices are posted on the odds board, subject to the limitations of ~~nonfraudulent non-~~ fraudulent human and mechanical errors. ~~In the event that~~ If a payoff payout is both incorrectly posted and paid, the mutuel manager shall file with the ~~Department~~ Division a complete report explaining the circumstances ~~prior to~~ before the next racing day.
- ~~C.D.~~ The On request, the mutuel manager shall provide the ~~Department~~ Division with, ~~upon request,~~ complete and detailed reports of each race day; including the handle of each race, the total handle and attendance, the ~~payoffs~~ payouts on each race, breakage and commission, opening and closing lines, and sellers' shortages and overages.

R19-2-520. Stored Value Instruments

- A. Pari-mutuel cash vouchers. A ~~racetrack~~ permittee may offer pari-mutuel cash vouchers at a wagering location that issues pari-mutuel tickets.
 1. Cash vouchers shall be dispensed through the totalisator system;

2. The stored value on a cash voucher may be redeemed at any time in the same manner as ~~a~~ the value of a winning pari-mutuel ticket for wagers placed at a pari-mutuel window or a self-service terminal, ~~and may be redeemed for the cash value at any time;~~
 3. The tote system transaction record for all pari-mutuel cash vouchers shall include the voucher identification number in subsequent pari-mutuel transactions; and
 4. Pari-mutuel wagers made from a cash voucher shall include the ~~voucher~~ by identification number of the cash voucher.
- B.** A ~~racetrack~~ permittee may, with ~~prior~~ approval of the ~~Department~~ Division, issue special pari-mutuel cash vouchers as incentives or promotional prizes, and may restrict the use of the special vouchers to the purchase of pari-mutuel ~~wagers~~ tickets.
- C.** Other stored value instruments and systems. A ~~racetrack~~ permittee shall not allow, without ~~the~~ prior approval of the ~~Department~~ Division, use of any form of stored value instrument or system other than a pari-mutuel cash voucher ~~for making to purchase or cashing cash a pari-mutuel wagers ticket~~. A To obtain the Division's request for approval of a stored value instrument or system other than a pari-mutuel cash voucher, the permittee shall submit a written request for approval that include includes a detailed description of the standards used to:
1. Identify the specific stored value instrument or account in the pari-mutuel system wagering transaction record;
 2. Verify the identity and business address of the person obtaining, holding, and using the stored value instrument or system; and
 3. Record and maintain records of deposits, credits, debits, transaction numbers, and account balances involving the stored value instruments or accounts.
- D.** In addition to the standards required under subsection (C), the permittee shall include the following in a request for approval of a stored value instrument or system:
1. An affirmation that records and reports relating to all transactions, account records, and customer identification and verification will be made available on request to the Division in both a paper and an electronic form approved by the Division; and
 2. Certification of secure retention of all records for the time specified in R19-2-502.
- D.E.** ~~A~~ The permittee shall ensure an approved stored value instrument or system:
1. ~~Shall prevent~~ Prevents a wagering transaction if the wagering transaction will create a negative balance in the account, and
 2. ~~Shall not~~ Will not operate to ~~automatically~~ facilitate a transfer of funds automatically into a stored value instrument or account without direct authorization of each deposit transfer by the person holding the instrument or account.

~~E. A request for approval of a stored value instrument or system shall include:~~

- ~~1. An affirmation that records and reports relating to all transactions, account records, and customer identification and verification will be made available on request to the Department in both paper or and electronic form approved by the Department; and~~
- ~~2. Certification of secure retention of all records for the time specified in R19-2-502.~~

R19-2-523. Calculation of Payoffs Payouts and Distribution of Pools

A. General

1. All permitted pari-mutuel wagering pools shall be calculated and distributed separately and independently ~~calculated and distributed~~. Takeout ~~The takeout~~ shall be deducted from each gross pool as stipulated by law. The ~~remainder of the monies remaining~~ in the pool shall after takeout is deducted constitute the net pool for distribution as payoff payout on winning wagers.
2. ~~For~~ To determine the profit for each wagering pool, the amount wagered on the winning betting ~~wagering~~ interest or ~~betting combinations is deducted~~ combination shall be deducted from the net pool ~~to determine the profit; the~~ calculated as described in subsection (A)(1). To determine the profit per dollar, the profit shall be ~~is then~~ divided by the amount wagered on the winning betting ~~wagering~~ interest or ~~combinations, such quotient being the profit per dollar~~ combination.
3. Either the standard or net price calculation procedure may be used to calculate single commission pools, ~~while~~ but the net price calculation procedure ~~must~~ shall be used to calculate multi-commission pools.

a. ~~Standard Price Calculation Procedure~~

~~SINGLE PRICE POOL (WIN POOL)~~

~~gross pool = sum of wagers on all betting interests - refunds~~

~~takeout = gross pool x percent takeout~~

~~net pool = gross pool - takeout~~

~~profit = net pool - gross amount bet on winner~~

~~profit per dollar = profit / gross amount bet on winner~~

~~\$1 unbroken = profit per dollar + \$1 price~~

~~\$1 broken = \$1 unbroken price rounded down to the break point~~

~~total payout = \$1 broken price x gross amount bet on winner~~

~~total breakage = net pool - total payout~~

~~PROFIT SPLIT (PLACE POOL)~~

~~Profit is net pool less gross amount bet on all place finishers. Finishers split profit 1/2 and 1/2 (place profit), then divide by gross amount bet on each place finisher for two unique prices.~~

~~PROFIT SPLIT (SHOW POOL)~~

~~Profit is net pool less gross amount bet on all show finishers. Finishers split profit 1/3 and 1/3 and 1/3 (show profit), then divide by gross amount bet on each show finisher for three unique prices.~~

4. Procedure for standard price calculation. The following calculations shall be made when using the standard price procedure.

a. Single price pool (win pool).

i. Gross pool = sum of wagers on all wagering interests – refunds;

ii. Takeout = gross pool x percent takeout;

iii. Net pool = gross pool – takeout;

iv. Profit = net pool – gross amount wagered on winner;

v. Profit per dollar = profit ÷ gross amount wagered on winner;

vi. \$1 Unbroken price = price per dollar + \$1;

vii. \$1 Broken price = \$1 unbroken price rounded down to the break point;

- viii. Total payout = \$1 broken price x gross amount wagered on winner; and
- ix. Total breakage = net pool – total payout;
- b. Profit split (place pool). Profit is net pool minus the gross amount wagered on all place finishers. Finishers split the profit in half (place profit) and then then divide each half by the gross amount wagered on each place finisher for two unique prices; and
- c. Profit split (show pool). Profit is the net pool minus the gross amount wagered on all show finishers. Finishers split the profit into thirds (show profit) and then divide each third by the gross amount wagered on each show finisher for three unique prices.

~~b. Net Price Calculation Procedure~~

~~SINGLE PRICE POOL(WIN POOL)~~

~~gross pool = sum of wagers on all betting interests – refunds~~

~~takeout = gross pool x percent takeout~~

~~* for each source:~~

~~net pool = gross pool – takeout~~

~~net bet on = gross amount bet on~~

~~winner = winner x (1 – percent takeout)~~

~~total net pool = sum of all sources net pools~~

~~total net bet on = sum of all sources~~

~~winner = net bet on winner~~

~~total profit = total net pool – total net bet on winner~~

~~profit per dollar = total profit / total net bet on winner~~

~~\$1 unbroken = profit per dollar + \$1 base price~~

~~* for each source:~~

~~\$1 unbroken = \$1 unbroken base~~

| | | |
|---------------------|---|--|
| price | = | price x (1 – percent takeout) |
| \$1 broken price | = | \$1 unbroken price rounded down to the break point |
| total payout | = | \$1 broken price x gross amount bet on winner |
| total breakage | = | net pool – total payout |

5. Procedure for net price calculation. The following calculations shall be made when using the net price procedure.

a. Single price pool (win pool).

- i. Gross pool = sum of wagers on all wagering interests – refunds;
- ii. Takeout = gross pool x percent takeout;
- iii. For each source:
 - (a). Net pool = gross pool – takeout;
 - (b). Net wagered on winner = gross amount wagered on winner x (1 – percent takeout);
 - (c). Total net pool = sum of all sources’ net pools;
 - (d). Total net wagered on winner = sum of all sources’ net wagered on winner;
 - (e). Total profit = total net pool – total net amount wagered on winner;
 - (f). Profit per dollar = total profit ÷ total net amount wagered on winner;
 - (g). \$1 Unbroken base = profit per dollar + \$1 price;
 - (h). \$1 Unbroken price = \$1 unbroken base price x (1- percent takeout);
 - (i). \$1 Broken price = \$1 unbroken price rounded down to the break point;
 - (j). Total payout = \$1 broken price x gross amount wagered on winner;
 - (k). Total breakage = net pool – total payout;

b. PROFIT SPLIT (PLACE POOL) Profit split (place pool). Total profit is the total net pool less minus the total net amount bet wagered on all place finishers. Finishers split total profit 1/2 and 1/2 in half (place profit); and then divide each half by total net amount bet wagered on each place finisher for two unique unbroken base prices.

c. PROFIT SPLIT (SHOW POOL) Profit split (show pool). Total profit is the total net pool less minus the total net amount bet wagered on all show finishers. Finishers split total profit

- ~~1/3 and 1/3 and 1/3~~ into thirds (show profit); and then divide each third by total net amount bet wagered on each show finisher for three unique unbroken base prices.
- 4.6. If a profit split results in only one covered winning betting wagering interest or ~~combinations~~ combination, ~~it~~ the profit split shall be calculated the same as a single price pool.
- 5.7. ~~Minimum payoffs~~ The Division shall establish minimum payouts and the method used for calculating breakage ~~shall be established by the Department.~~
- 6.8. ~~The Approval shall be obtained from the Division before giving an individual pools pool~~ outlined in these rules ~~may be given an alternative names by each permittee, provided prior approval is obtained from the Department name.~~

B. Win Pools

1. ~~The~~ To calculate the profit on a Win pool, the amount wagered on the betting wagering interest ~~which that~~ finishes first is shall be deducted from the net pool, ~~the balance remaining being the profit; the~~ To calculate the profit per dollar wagered to win on the wagering interest that finishes first, is divided by the profit shall be divided by the amount wagered on the betting wagering interest finishing first, ~~such quotient being the profit per dollar wagered to Win on that betting interest.~~
2. The net Win pool shall be distributed as a single price pool to persons with winning wagers in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. To ~~those~~ persons whose selection finished first; but if there are no persons with ~~such~~ wagers on the first place finisher, then
 - b. To ~~those~~ persons whose selection finished second; but if there are no persons with ~~such~~ wagers on the second place finisher, then
 - c. To ~~those~~ persons whose selection finished third; but if there are no persons with ~~such~~ wagers on the third place finisher, then
 - d. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Win wagers for that contest.
3. If there is a dead heat for first involving:
 - a. Contestants representing the same betting wagering interest, the Win pool shall be distributed as if no dead heat occurred.
 - b. Contestants representing two or more betting wagering interests, the Win pool shall be distributed as a profit split.

Table 1. Win Pool - Standard Price Calculation

| |
|--|
| |
|--|

Table 1: WIN POOL

(Standard Price Calculation)

~~Sum of Wagers on All Betting Interests = \$194,230.00~~

~~Refunds = \$1,317.00~~

~~Gross Pool:~~

~~Sum of Wagers on All Betting Interests – Refunds = \$192,913.00~~

~~Percent Takeout = 18%~~

~~Takeout:~~

~~Gross Pool x Percent Takeout = \$34,724.34~~

~~Net Pool:~~

~~Gross Pool – Takeout = \$158,188.66~~

~~Gross Amount Bet on Winner = \$23,872.00~~

~~Profit:~~

~~Net Pool – Gross Amount Bet on Winner = \$134,316.66~~

~~Profit Per Dollar:~~

~~Profit / Gross Amount Bet on Winner = \$5.6265357~~

~~\$1 Unbroken Price:~~

~~Profit Per Dollar + \$1 = \$6.6265357~~

Table 1. WIN POOL
(Standard Price Calculation)

Sum of all wagers on all wagering interests = \$194,230.00

Refunds = \$1, 317.00

Gross pool: Sum of wagers on all wagering interests – refund = \$192,913.00

Percent takeout = 18%

Takeout: Gross pool x percent takeout = \$34,724.34

Net pool: Gross pool – takeout = \$158,188.66

Gross amount wagered on winner = \$23,872.00

Profit: Net pool - gross amount wagered on winner = \$134,316.66

Profit per dollar: Profit ÷ gross amount wagered on winner = \$5.6265357

\$1 Unbroken price: Profit per dollar + \$1 = \$6.6265357

C. Place Pools

1. ~~The~~ To calculate the profit on a Place pool, the amounts wagered to Place on the first two ~~betting~~ wagering interests to finish are deducted from the net pool, ~~the balance remaining being the profit.~~ To calculate the profit per dollar wagered to Place on the wagering interest, the profit is shall be divided into two equal portions, one being assigned to each winning betting wagering interest and divided then divide each portion by the amount wagered to Place on that betting the assigned wagering interest, the resulting quotient is the profit per dollar wagered to Place on that betting interest.
2. The net Place pool shall be distributed to persons with winning wagers in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. If contestants of a coupled entry or mutuel field finished in the first two places, as a single price pool to ~~those~~ persons who selected the coupled entry or mutuel field; otherwise
 - b. As a profit split to ~~those~~ persons whose selection is included within the first two finishers; but if there are no persons with such wagers on one of ~~those~~ the first two finishers, then
 - c. As a single price pool to ~~those~~ persons who selected the one covered betting wagering interest included within the first two finishers; but if there are no persons with such wagers on the one covered wagering interest, then
 - d. As a single price pool to ~~those~~ persons who selected the third-place finisher, but if there are no persons with such wagers on the third-place finisher, then

- e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Place wagers for that contest.
3. If there is a dead heat for first involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Place pool shall be distributed as a single price pool.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Place pool shall be distributed as a profit split.
 4. If there is a dead heat for second involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Place pool shall be distributed as if no dead heat occurred.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Place pool is divided ~~with and half of the profit shall be~~ distributed to persons who made Place wagers on the ~~betting~~ wagering interest finishing first and the remainder ~~is~~ shall be distributed equally ~~amongst to persons who made~~ Place wagers on ~~those betting the wagering~~ interests involved in the dead heat for second.

Table 2. Place Pool - Standard Price Calculation

| Table 2: PLACE POOL (Standard Price Calculation) | |
|--|--------------|
| Sum of Wagers on All Betting Interests = | \$194,230.00 |
| Refunds = | \$1,317.00 |
| Gross Pool: | |
| Sum of Wagers on All Betting Interests - Refunds = | \$192,913.00 |
| Percent Takeout = 18% | |
| Takeout: | |
| Gross Pool x Percent Takeout = | \$34,724.34 |
| Net Pool: | |
| Gross Pool - Takeout = | \$158,188.66 |
| Gross Amount Bet on first place finisher = \$23,872.00 | |
| Gross amount Bet on second place finisher = \$12,500.00 | |
| Profit: | |
| Net Pool - Gross Amount Bet on first place finisher - Gross Amount Bet on second place finisher = | \$121,816.66 |

Place Profit:

$$\text{Profit} / 2 = \$60,908.33$$

Profit Per Dollar for first place:

$$\text{Place Profit} / \text{Gross Amount Bet on first place finisher} = \$2.5514548$$

\$1 Unbroken Price for first place:

$$\text{Profit Per Dollar for first place} + \$1 = \$3.5514548$$

Profit Per Dollar for second place:

$$\text{Place Profit} / \text{Gross Amount Bet on second place finisher} = \$4.8726664$$

\$1 Unbroken Price for second place:

$$\text{Profit Per Dollar for second place} + \$1 = \$5.8726664$$

Table 2: PLACE POOL

(Standard Price Calculation)

Sum of all wagers on all wagering interests = \$194,230.00

Refunds = \$1,317.00

Gross pool: Sum of wagers on all wagering interests – refund = \$192,913.00

Percent takeout = 18%

Takeout: Gross pool x percent takeout = \$34,724.34

Net pool: Gross pool – takeout = \$158,188.66

Gross amount wagered on first place finisher = \$23,872.00

Gross amount wagered on second place finisher = \$12,500.00

Profit: Net pool – gross amount wagered on first place finisher and second place finisher = \$121,816.66

Place profit: Profit ÷ 2 = \$60,908.33

Profit per dollar for first place: Place profit ÷ gross amount wagered on first place finisher = \$2.5514548

\$1 Unbroken price for first place: Profit per dollar for first place + \$1 = \$3.5514548

Profit per dollar for second place: Place profit ÷ gross amount wagered on second place finisher = \$4.8726664

\$1 Unbroken price for second place: Profit per dollar for second place + \$1 = \$5.8726664

D. Show Pools

1. ~~The~~ To calculate the profit on a Show pool, the amounts wagered to Show on the first three betting interests to finish are deducted from the net pool, the balance remaining being the profit. To calculate the profit per dollar wagered on the wagering interest to Show, the profit is shall be divided into three equal portions, one being assigned to each winning ~~betting~~ wagering interest, and each portion shall be divided by the amount wagered to Show on ~~that betting~~ the assigned wagering interest, ~~the resulting quotient being the profit per dollar wagered to Show on that betting interest.~~
2. The net Show pool shall be distributed to persons with winning wagers in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. If contestants of a coupled entry or mutuel field finished in the first three places, as a single price pool to ~~those~~ persons who selected the coupled entry or mutuel field; otherwise
 - b. If contestants of a coupled entry or mutuel field finished as two of the first three finishers, the profit is divided with two-thirds distributed to ~~those~~ persons who selected the coupled entry or mutuel field and one-third distributed to ~~those~~ persons who selected the ~~other betting~~ third wagering interest included ~~within~~ in the first three finishers; otherwise
 - c. As a profit split to ~~those~~ persons whose selection is included within the first three finishers; but if there are no persons who made ~~such~~ wagers on one of ~~those~~ the first three finishers, then
 - d. As a profit split to ~~those~~ persons who selected one of the two covered ~~betting~~ wagering interests included ~~within~~ in the first three finishers; but if there are no ~~such~~ persons who made wagers on two of ~~those~~ the first three finishers, then
 - e. As a single price pool to ~~those~~ persons who selected the one covered ~~betting~~ wagering interest included ~~within~~ in the first three finishers; but if there are no ~~such~~ persons who made wagers on one of the first three finishers, then
 - f. As a single price pool to ~~those~~ persons who selected the fourth-place finisher; but if there are no ~~such~~ persons who made wagers on the fourth-place finisher, then
 - g. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Show wagers for that contest.
3. If there is a dead heat for first involving:
 - a. Two contestants representing the same ~~betting~~ wagering interest, the profit is ~~divided with 2/3rds distributed~~ shall be divided into three equal portions and distributed two-thirds to those persons who selected the first-place finishers and one-third ~~distributed to those persons~~ who selected the ~~betting interest finishing third~~ third-place finisher.

- b. Three contestants representing a single ~~betting~~ wagering interest, the Show pool shall be distributed as a single price pool.
 - c. Contestants representing two or more ~~betting~~ wagering interests, the Show pool shall be distributed as a profit split.
4. If there is a dead heat for second involving:
- a. Contestants representing the same ~~betting~~ wagering interest, the profit ~~is~~ shall be divided into three equal portions with and distributed one-third ~~distributed to those persons~~ who selected the ~~betting~~ wagering interest finishing first and two-thirds ~~distributed to those persons~~ who selected the second-place finishers.
 - b. Contestants representing two ~~betting~~ wagering interests, the Show pool shall be distributed as a profit split.
 - c. Contestants representing three ~~betting~~ wagering interests, the Show pool ~~is~~ shall be divided with and distributed one-third ~~of the profit distributed to persons who made Show wagers on the betting wagering interest finishing first and the remainder is distributed~~ equally among persons who made Show wagers on those betting the wagering interests involved in the dead heat for second.
5. If there is a dead heat for third involving:
- a. Contestants representing the same ~~betting~~ wagering interest, the Show pool shall be distributed as if no dead heat occurred.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Show pool ~~is~~ shall be divided with 2/3rds and distributed two-thirds of the profit distributed to persons who made Show wagers on the betting wagering interests finishing first and second and the remainder is distributed equally among persons who made Show wagers on those the betting wagering interests involved in the dead heat for third.

Table 3. Show Pool - Standard Price Calculation

| |
|---|
| <p>Table 3: SHOW POOL (Standard Price Calculation)</p> |
| Sum of Wagers on All Betting Interests = \$194,230.00 |
| Refunds = \$1,317.00 |
| Gross Pool: |
| Sum of Wagers on All Betting Interests – Refunds = \$192,913.00 |
| Percent Takeout = 18% |

Takeout:

$$\text{Gross Pool} \times \text{Percent Takeout} = \$34,724.34$$

Net Pool:

$$\text{Gross Pool} - \text{Takeout} = \$158,188.66$$

$$\text{Gross Amount Bet on first place finisher} = \$23,872.00$$

$$\text{Gross Amount Bet on second place finisher} = \$12,500.00$$

$$\text{Gross Amount Bet on third place finisher} = \$4,408.00$$

Profit: Net Pool

$$-\text{Gross Amount Bet on first place finisher}$$

$$-\text{Gross Amount Bet on second place finisher}$$

$$-\text{Gross Amount Bet on third place finisher} = \$117,408.66$$

Show Profit:

$$\text{Profit} / 3 = \$39,136.22$$

Profit Per Dollar for first place:

$$\text{Show Profit} / \text{Gross Amount Bet on first place finisher} = \$1.6394194$$

\$1 Unbroken Price for first place:

$$\text{Profit Per Dollar for first place} + \$1 = \$2.6394194$$

Profit Per Dollar for second place:

$$\text{Show Profit} / \text{Gross Amount Bet on second place finisher} = \$3.1308976$$

\$1 Unbroken Price for second place:

$$\text{Profit Per Dollar for second place} + \$1 = \$4.1308976$$

Profit Per Dollar for third place:

$$\text{Show Profit} / \text{Gross Amount Bet on third place finisher} = \$8.8784528$$

\$1 Unbroken Price for third place:

$$\text{Profit Per Dollar for third place} + \$1 = \$9.8784528$$

Table 3. SHOW POOL
(Standard Price Calculation)

Sum of all wagers on all wagering interests = \$194,230.00

Refunds = \$1, 317.00

Gross pool: Sum of wagers on all wagering interests – refund = \$192,913.00

Percent takeout = 18%

Takeout: Gross pool x percent takeout = \$34,724.34

Net pool: Gross pool – takeout = \$158,188.66

Gross amount wagered on first place finisher = \$23,872.00

Gross amount wagered on second place finisher = \$12,500.00

Gross amount wagered on third place finisher = \$4,408.00

Profit: Net pool – gross amount wagered on first place finisher, second place finisher, and third place finisher = \$117,408.66

Show profit: Profit ÷ 3 = \$39,136.22

Profit per dollar for first place: Show profit ÷ gross amount wagered on first place finisher = \$1.6394194

\$1 Unbroken price for first place: Profit per dollar for first place + \$1 = \$2.6394194

Profit per dollar for second place: Show profit ÷ gross amount wagered on second place finisher = \$3.1308976

\$1 Unbroken price for second place: Profit per dollar for second place + \$1 = \$4.1308976

Profit per dollar for third place: Show profit ÷ gross amount wagered on third place finisher = \$8.8784528

\$1 Unbroken price for third place: Profit per dollar for third place + \$1 = \$9.8784528

Table 4. Show Pool - Single Takeout Rate & Single Betting Wagering Source

| Table 4: SHOW POOL | |
|--|--------------|
| Single Takeout Rate & Single Betting Source | |
| <i>(Net Price Calculation)</i> | |
| Sum of Wagers on All Betting Interests = | \$194,230.00 |
| Refunds = | \$1,317.00 |
| Gross Pool: | |
| Sum of Wagers on All Betting Interests - Refunds = | \$192,913.00 |
| Percent Takeout = | 18% |
| Takeout: | |
| Gross Pool x Percent Takeout = | \$34,724.34 |
| Total Net Pool: | |
| Gross Pool - Takeout = | \$158,188.66 |
| Gross Amount Bet on first place finisher = | \$23,872.00 |
| Net Amount Bet on first place finisher = | \$19,575.04 |
| Gross Amount Bet on second place finisher = | \$12,500.00 |
| Net Amount bet on second place finisher = | \$10,250.00 |
| Gross Amount Bet on third place finisher = | \$4,408.00 |
| Net Amount Bet on third place finisher = | \$3,614.56 |
| Total Net Bet on Winners: | |
| Net Amount Bet on first place finisher + | |
| Net Amount Bet on second place finisher + | |
| Net Amount Bet on third place finisher = | \$33,439.60 |
| Total Profit: | |
| Total Net Pool - Total Net Bet on Winners = | \$124,749.06 |
| Show Profit: | |
| Total Profit / 3 = | \$41,583.02 |
| Profit Per Dollar for first place: | |
| Show Profit / Net Amount Bet on first place finisher = | \$2.1242879 |
| \$1 Unbroken Base Price for first place: | |

Profit Per Dollar for first place + \$1 = \$3.1242879

~~\$1 Unbroken Price for first place:~~

~~\$1 Unbroken Base Price for first place x (1—percent takeout) = \$2.5619161~~

Profit Per Dollar for second place:

Show Profit / Net Amount Bet on second place finisher = \$4.0568800

~~\$1 Unbroken Base Price for second place:~~

~~Profit Per Dollar for second place + \$1 = \$5.0568800~~

~~\$1 Unbroken Price for second place:~~

~~\$1 Unbroken Base Price for second place x (1—percent takeout) = \$4.1466416~~

Profit Per Dollar for third place:

Show Profit / Net Amount Bet on third place finisher = \$11.504310

~~\$1 Unbroken Base Price for third place:~~

~~Profit Per Dollar for third place + \$1 = \$12.504310~~

~~Unbroken Price for third place:~~

~~\$1 Unbroken Base Price for third place x (1—percent takeout) = \$10.253534~~

Table 4: SHOW POOL

Single Takeout Rate & Single Wagering Source

(Net Price Calculation)

Sum of wagers on all wagering interests = \$194,230.00

Refunds = \$1,317.00

Gross pool: Sum of wagers on all wagering interests – refunds = \$192,913.00

Percent takeout = 18 %

Takeout: Gross pool x percent takeout = \$34,724.34

Total net pool: Gross pool – takeout = \$158,188.66

Gross amount wagered on first place finisher = \$23,872.00

Net amount wagered on first place finisher = \$19,575.04

Gross amount wagered on second place finisher = \$12,500.00

Net amount wagered on second place finisher = \$10,250.00

Gross amount wagered on third place finisher = \$4,408.00

Net amount wagered on third place finisher = \$3,614.56

Total net wagered on winners: Net amount wagered on first place finisher + second place finisher + third place finisher = \$33,439.60

Total profit: Total net pool – total net wagered on winners = \$124,749.06

Show profit: Total profit ÷ 3 = \$41,583.02

Profit per dollar for first place: Show profit ÷ net amount wagered on first place finisher = \$2.1242879

\$1 Unbroken base price for first place: Profit per dollar for first place + \$1 = \$3.1242879

\$1 Unbroken price for first place: \$1 unbroken base price for first place x (1 – percent takeout) = \$2.561916

Profit per dollar for second place: Show profit ÷ net amount wagered on second place finisher = \$4.0568800

\$1 Unbroken base price for second place: Profit per dollar for second place + \$1 = \$5.0568800

\$1 Unbroken price for second place: \$1 unbroken base price for second place x (1 – percent takeout) = \$4.1466416

Profit per dollar for third place: Show profit ÷ net amount wagered on third place finisher = \$11.504310

\$1 Unbroken base price for third place: Profit per dollar for third place + \$1 = \$12.504310

\$1 Unbroken price for third place: \$1 unbroken base price for third place x (1 – percent takeout) = \$10.253534

E. Double Pools

1. The Double requires ~~selection of~~ a person to select the first-place finisher in each of two specified contests.
2. The net Double pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
 - a. As a single price pool to ~~those~~ persons whose selection finished first in each of the two contests; but if there are no persons with such wagers, then
 - b. As a profit split to ~~those~~ persons who selected the first-place finisher in either of the two contests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those~~ persons who selected the one covered first-place finisher in either contest; but if there are no persons with such wagers, then
 - d. As a single price pool to ~~those~~ persons whose selection finished second in each of the two contests; but if there are no persons with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Double wagers for those contests.
3. If there is a dead heat for first in either of the two contests involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Double pool shall be distributed as if no dead heat occurred.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Double pool shall be distributed as a profit split if there is more than one covered winning wagering combination.
4. ~~Should~~ If a ~~betting~~ wagering interest in the first-half of the Double ~~be~~ is scratched ~~prior to~~ before the first Double contest ~~being~~ is declared official, all money wagered on wagering combinations including the scratched ~~betting~~ wagering interest shall be deducted from the Double pool and refunded.
5. ~~Should~~ If a ~~betting~~ wagering interest in the second-half of the Double ~~be~~ is scratched ~~prior to~~ before the close of wagering on the first Double contest, all money wagered on wagering

combinations including the scratched ~~betting~~ wagering interest shall be deducted from the Double pool and refunded.

6. ~~Should~~ If a ~~betting~~ wagering interest in the second-half of the Double ~~be~~ is scratched after the close of wagering on the first Double contest, all persons who made wagers combining the winner of the first contest with the scratched ~~betting~~ wagering interest in the second contest ~~shall be~~ are allocated a consolation ~~payoff~~ payout. ~~In calculating~~ To calculate the consolation ~~payoff~~ payout, the net Double pool shall be divided by the total amount wagered on the winner of the first contest. The quotient is the ~~and an~~ unbroken consolation price ~~obtained~~. Then, the broken consolation price is multiplied by the dollar value of wagers on the winner of the first contest combined with the scratched ~~betting~~ wagering interest. The product ~~to obtain~~ obtained is the consolation ~~payoff~~ payout. Breakage is not declared in this calculation. The consolation ~~payoff~~ is deducted payout shall be deducted from the net Double pool before ~~calculation and distribution of~~ calculating and distributing the winning Double ~~payoff~~ payout. ~~Dead heats including~~ If a dead heat includes separate ~~betting~~ wagering interests in the first contest, ~~shall result in a~~ the consolation ~~payoff~~ payout shall be calculated as a profit split.
7. If either of the Double contests ~~are~~ is cancelled ~~prior to~~ before the first Double contest, or the first Double contest is declared “no contest,” the entire Double pool shall be refunded ~~on~~ to persons who made Double wagers for those contests.
8. If the second Double contest is cancelled or declared “no contest” after the conclusion of the first Double contest, the net Double pool shall be distributed as a single price pool to ~~wagers selecting~~ persons who selected the winner of the first Double contest. ~~In the event of~~ If there is a dead heat in the first Double contest involving separate ~~betting~~ wagering interests, the net Double pool shall be distributed as a profit split.

Table 5. Double Pool - Standard Price Calculation

| Table 5: DOUBLE POOL (Standard Price Calculation) | |
|--|--------------|
| Sum of Wagers on All Betting Interests = | \$194,230.00 |
| Refunds = | \$1,317.00 |
| Gross Pool: | |
| Sum of Wagers on All Betting Interests – Refunds = | \$192,913.00 |
| Percent Takeout = | 18% |

Takeout:

$$\text{Gross Pool} \times \text{Percent Takeout} = \$34,724.34$$

Net Pool:

$$\text{Gross Pool} - \text{Takeout} = \$158,188.66$$

$$\text{Gross Amount Bet on Winning Combination} = \$23,872.00$$

Profit:

$$\text{Net Pool} - \text{Gross Amount Bet on Winning Combination} = \$134,316.66$$

Profit Per Dollar:

$$\text{Profit} / \text{Gross Amount Bet on Winning Combination} = \$5.6265357$$

\$1 Unbroken Price:

$$\text{Profit Per Dollar} + \$1 = \$6.6265357$$

Table 5: DOUBLE POOL

(Standard Price Calculation)

$$\text{Sum of wagers on all wagering interests} = \$194,230.00$$

$$\text{Refunds} = \$1,317.00$$

$$\text{Gross pool: Sum of wagers on all wagering interests} - \text{refunds} = \$192,913.00$$

$$\text{Percent takeout} = 18\%$$

$$\text{Takeout: Gross pool} \times \text{percent takeout} = \$34,724.34$$

$$\text{Net pool: Gross pool} - \text{takeout} = \$158,188.66$$

$$\text{Gross amount wagered on winning wagering combination} = \$23,872.00$$

$$\text{Profit: Net pool} - \text{gross amount wagered on winning wagering combination} = \$134,316.66$$

$$\text{Profit per dollar: Profit} \div \text{gross amount wagered on winning wagering combination} = \$5.6265357$$

$$\text{\$1 Unbroken price: Profit per dollar} + \$1 = \$6.6265357$$

Table 6. Double Pool - Consolation Pricing

| <i>Table 6: DOUBLE POOL CONSOLATION PRICING</i> | |
|--|-------------------------|
| Sum of Wagers on All Betting Interests = | \$194,230.00 |
| Refunds = | \$1,317.00 |
| Gross Pool: | |
| Sum of Wagers on All Betting Interests — Refunds = | \$192,913.00 |
| Percent Takeout = | 18% |
| Takeout: | |
| Gross Pool x Percent Takeout = | \$34,724.34 |
| Net Pool: | |
| Gross Pool — Takeout = | \$158,188.66 |
| Consolation Pool: | |
| Sum Total Amount Bet on winner of the first contest with all second contest betting interests = | \$43,321.00 |
| \$1 Consolation Unbroken Consolation Price: | |
| Net Pool / Consolation Pool = | \$3.6515468 |
| \$1 Consolation Broken Price = | \$3.65 |
| Amount Bet on winner of the first contest with scratched betting interests: = | \$1,234.00 |
| Consolation Liability: | |
| \$1 Consolation Broken Price x (Amount Bet on the winner of the first contest with scratched betting interests) = | \$4,504.10 |
| Adjusted Net Pool: | |
| Net Pool — Consolation Liability = | \$153,684.56 |
| Gross Amount Bet on the Winning Combination = | \$23,872.00 |
| Profit: | |
| Adjusted Net Pool — Gross Amount Bet on the Winning Combination = | \$129,812.56 |
| Profit Per Dollar: | |
| Profit / Gross Amount Bet on the Winning Combination = | \$5.4378586 |
| \$1 Unbroken Price: | |

Profit Per Dollar + \$1 = \$6.4378586

Table 6: Double Pool

Consolation Pricing

Sum of wagers on all wagering interests = \$194,230.00

Refunds = \$1,317.00

Gross pool: Sum of wagers on all wagering interests - refunds = \$192, 913.00

Percent takeout = 18%

Takeout: Gross pool x percent takeout = \$34,724.34

Net pool: Gross pool – takeout = \$158,188.66

Consolation pool: Total amount wagered on winner of the first contest with all second contest wagering interests = \$43,321.00

\$1 Consolation unbroken consolation price: Net pool ÷ consolation pool = \$ 3.6515468

\$1 Consolation broken price = \$ 3.65

Amount wagered on winner of the first contest with scratched wagering interests = \$1,234.00

Consolation liability: \$1 Consolation broken price x (amount wagered on the winner of the first contest with scratched wagering interests) = \$4, 504.10

Adjusted net pool: Net pool – consolation liability = \$153,684.56

Gross amount wagered on the winning wagering combination = \$23,872.00

Profit: Adjusted net pool – gross amount wagered on the winning wagering combination = \$129,812.56

Profit per dollar: Profit ÷ gross amount wagered on the winning wagering combination = \$5.4378586

\$1 Unbroken price: Profit per dollar + \$1 = \$6.43785586

F. Pick 3 Pools

1. The Pick 3 requires ~~selection of a person to select~~ the first-place finisher in each of three specified contests.
2. The net Pick 3 pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
 - a. As a single price pool to ~~those~~ persons whose selection finished first in each of the three contests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those~~ persons who selected the first-place finisher in any two of the three contests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those~~ persons who selected the first-place finisher in any one of the three contests; but if there are no persons with such wagers, then
 - d. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Pick 3 wagers for those contests.
3. If there is a dead heat for first in any of the three contests involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Pick 3 pool shall be distributed as if no dead heat occurred.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Pick 3 pool shall be distributed as a single price pool with each person who made a winning wager receiving an equal share of the profit.
4. ~~Should~~ If a ~~betting~~ wagering interest in any of the three Pick 3 contests ~~be~~ is scratched, the actual favorite, as evidenced by total amounts wagered in the Win pool at the close of wagering on that contest, shall be substituted for the scratched ~~betting~~ wagering interest for all purposes, including pool calculations. ~~In the event that~~ If the Win pool total for two or more favorites is identical, the substitute selection shall be the ~~betting~~ wagering interest with the lowest program number. The totalisator shall produce reports showing each of the wagering combinations with substituted ~~betting~~ wagering interests ~~which~~ that became winners as a result of the substitution, in addition to the normal winning wagering combination.
5. If all three Pick 3 contests are cancelled or declared “no contest,” the entire pool shall be refunded ~~on~~ to persons who made Pick 3 wagers for those contests.
6. If one or two of the Pick 3 contests are cancelled or declared “no contest,” the Pick 3 pool shall remain valid and ~~shall~~ be distributed in accordance with subsection (F)(2) ~~of this rule~~.

G. Pick (n) Pools

1. The Pick (n) requires ~~selection of a person to select~~ the first-place finisher in each of a designated number of contests. ~~The~~ Before scheduling a Pick (n) contest, the permittee must ~~must~~ shall obtain

written approval from the ~~Department~~ Division concerning the scheduling of Pick (n) contests, the designation of one of the methods prescribed in subsection (G)(2), and the amount of any cap to be set on the carryover. ~~Any~~ No changes are allowed to the approved Pick (n) format ~~require~~ prior without approval from the ~~Department~~ Division.

2. The Pick (n) pool shall be apportioned ~~under~~ using one of the following methods:
 - a. *Method 1, Pick (n) with Carryover:* The net Pick (n) pool and carryover, if any, ~~shall be~~ is distributed as a single price pool to ~~those~~ persons who selected the first-place finisher in each of the Pick (n) contests, based ~~upon~~ on the official order of finish. If there are no persons who made such wagers, then a designated percentage of the net pool ~~shall be~~ is distributed as a single price pool to ~~those~~ persons who selected the first-place finisher in the greatest number of Pick (n) contests; and the remainder ~~shall be~~ is added to the carryover.
 - b. *Method 2, Pick (n) with Minor Pool and Carryover:* The major share of the net Pick (n) pool and the carryover, if any, ~~shall be~~ is distributed to ~~those~~ persons who selected the first-place finisher in each of the Pick (n) contests, based ~~upon~~ on the official order of finish. The minor share of the net Pick (n) pool ~~shall be~~ is distributed to ~~those~~ persons who selected the first-place finisher in the second greatest number of Pick (n) contests, based ~~upon~~ on the official order of finish. If ~~there are~~ no wagers selecting person selected the first-place finisher of all Pick (n) contests, the minor share of the net Pick (n) pool ~~shall be~~ is distributed as a single price pool to ~~those~~ persons who selected the first-place finisher in the greatest number of Pick (n) contests; and the major share ~~shall be~~ is added to the carryover.
 - c. *Method 3, Pick (n) with No Minor Pool and No Carryover:* The net Pick (n) pool ~~shall be~~ is distributed as ~~the~~ a single price pool to ~~those~~ persons who selected the first-place finisher in the greatest number of Pick (n) contests, based ~~upon~~ on the official order of finish. If there are no persons who made winning wagers, the pool is refunded.
 - d. *Method 4, Pick (n) with Minor Pool and No Carryover:* The major share of the net Pick (n) pool ~~shall be~~ is distributed to ~~those~~ persons who selected the first-place finisher in the greatest number of Pick (n) contests, based ~~upon~~ on the official order of finish. The minor share of the net Pick (n) pool ~~shall be~~ is distributed to ~~those~~ persons who selected the first-place finisher in the second greatest number of Pick (n) contests, based ~~upon~~ on the official order of finish. If ~~there are~~ no wagers selecting person selected the first-place finisher in a second greatest number of Pick (n) contests, the minor share of the net Pick (n) pool ~~shall be~~ is combined with the major share ~~for distribution and distributed~~ as a single price pool to those persons who selected the first-place finisher in the greatest number of Pick (n) contests. If the greatest number of first-place finishers selected is ~~+~~ one, the major and minor shares are combined ~~for~~

- ~~distribution and distributed~~ as a single price pool. If ~~there are~~ no person made a winning wagers wager, the pool is refunded.
- e. *Method 5, Pick (n) with Minor Pool and No Carryover*: The major share of the net Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first-place finisher in each of the Pick (n) contests, based ~~upon~~ on the official order of finish. The minor share of the net Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first-place finisher in the second greatest number of Pick (n) contests, based ~~upon~~ on the official order of finish. If there are no persons who made wagers selecting the first-place finisher in all Pick (n) contests, the entire net Pick (n) pool ~~shall be~~ is distributed as a single pool to ~~those persons~~ who selected the first-place finisher in the greatest number of Pick (n) contests. If ~~there are~~ no wagers selecting person selected the first-place finisher in a the second greatest number of Pick (n) contests, the minor share of the net Pick (n) pool ~~shall be~~ is combined with the major share ~~for distribution and distributed~~ as a single price pool to ~~those persons~~ who selected the first-place finisher in each of the Pick (n) contests. If ~~there are~~ no person made a winning wagers wager, the pool is refunded.
- f. *Method 6, Pick (n) with Minor Pool and Carryover with “Unique Winning Ticket” Provision (referred to as the “Unique Pick” for purposes of this rule only)*: The Unique Pick net pool and carryover, if any, ~~shall be~~ is distributed to the sole holder of a unique winning ticket that selected the first-place finisher in every one of the Unique Pick contests, based ~~upon~~ on the official order of finish. If there is no sole holder of a unique winning ticket selecting the first-place finisher in every one of the Unique Pick contests, or if ~~there are~~ no wagers person made a wager selecting the first-place finisher of all Unique Pick contests, the minor share of the Unique Pick net pool ~~shall be~~ is distributed as a single price pool to ~~those persons~~ who selected the first-place finisher in the greatest number of Unique Pick contests, and the major share ~~shall be~~ is added to the carryover. ~~Where~~ If there is no correct selection of the first-place finisher in at least one of the Unique Pick contests, based ~~upon~~ on the official order of finish, the day’s net pool ~~shall be~~ is refunded and the previous carryover pool amount, if any, ~~shall be~~ is carried over to the next scheduled corresponding pool.
- i. Request for ~~Mandatory Distribution~~ mandatory distribution. ~~In lieu of the event of The permittee may request permission from the Division a sole jackpot winner, the permittee may request permission~~ to distribute the Unique Pick jackpot ~~pursuant~~ according to subsections (G)(8) and (9) ~~of this rule~~ rather than to a sole jackpot winner.
- ii. ~~Unique Pick Jackpot Identification~~ jackpot identification. ~~Permittees must~~ The permittee shall clearly ~~identify one~~ indicate which one of the following two methods ~~that~~ will be

~~relied upon for determining~~ used to determine the existence of a Unique Pick winning ticket. The first method ~~is when there is~~ requires one and only one winning ticket that correctly selected the first place finisher in each of the Unique Pick contests, based ~~upon~~ on the official order of finish, to be verified by the unique serial number assigned by the tote company that issued the winning ticket. The second method ~~is when~~ requires the total amount wagered on one and only one winning wagering combination selecting the first-place finisher in each of the Unique Pick contests, based ~~up~~ on the official order of finish, ~~is be~~ equal to no more than the minimum allowable wager.

3. If there is a dead heat for first in any of the Pick (n) contests involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Pick (n) pool shall be distributed as if no dead heat occurred.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Pick (n) pool shall be distributed as a single price pool with each person who made a winning wager receiving an equal share of the profit.
4. ~~Should~~ If a ~~betting~~ wagering interest in any of the Pick (n) contests ~~be~~ is scratched, the actual favorite, as evidenced by total amounts wagered in the Win pool ~~at the host association~~ for the contest at the close of wagering on that contest, shall be substituted for the scratched ~~betting~~ wagering interest for all purposes, including pool calculations. ~~In the event that~~ If the Win pool total for two or more favorites is identical, the substitute selection shall be the ~~betting~~ wagering interest with the lowest program number. The totalisator shall produce reports showing each of the wagering combinations with substituted ~~betting~~ wagering interests ~~which that~~ became winners as a result of the substitution, in addition to the normal winning wagering combination.
5. The Pick (n) pool shall be cancelled and all Pick (n) wagers refunded for the individual performance ~~shall be refunded~~ if:
 - a. At least two contests included as part of a Pick 3 are cancelled or declared “no contest.”
 - b. At least three contests included as part of a Pick 4, Pick 5, or Pick 6 are cancelled or declared “no contest.”
 - c. At least four contests included as part of a Pick 7, Pick 8, or Pick 9 are cancelled or declared “no contest.”
 - d. At least five contests included as part of a Pick 10 are cancelled or declared “no contest.”
6. If at least one contest included as part of a Pick (n) is cancelled or declared “no contest,” but not more than the number specified in subsection (G)(5) ~~of this rule~~, the net pool shall be distributed as a single price pool to ~~those~~ persons whose selection finished first in the greatest number of

Pick (n) contests for that performance. ~~Such~~ This distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances.

7. ~~The~~ With approval from the Division, the Pick (n) carryover may be capped at a designated level, ~~approved by the Department so that if~~ If, at the close of any performance, the amount in the Pick (n) carryover equals or exceeds the designated cap level, the Pick (n) carryover ~~will be~~ is frozen until it is won or distributed under other provisions of this ~~rule~~ Section. After the Pick (n) carryover is frozen, 100% percent of the net pool, part of which ordinarily would be added to the Pick (n) carryover, shall be distributed to ~~those persons~~ whose selection finished first in the greatest number of Pick (n) contests for that performance.
8. ~~A written request for permission to distribute~~ Before designating the Pick (n) carryover for distribution on a specific performance, ~~a written request for permission shall~~ may be submitted to the ~~Department~~ Division. ~~The request shall contain justification for~~ justifying the distribution, ~~an explanation of~~ explaining the benefit to be derived, and specifying the intended date and performance for the distribution.
9. ~~Should~~ If the Pick (n) carryover ~~be~~ is designated for distribution on the final day of the racing meeting or on another specified date on which ~~there are no wagers selecting~~ person selects the first-place finisher in each of the Pick (n) contests, the entire pool shall be distributed as a single price pool to ~~those persons~~ whose selection finished first in the greatest number of Pick (n) contests. The Pick (n) carryover shall be designated for distribution on a specified date and performance only under the following circumstances:
 - a. ~~Upon~~ With written approval from the ~~Department~~ Division as provided in subsection (G)(8) of this rule;
 - b. ~~Upon~~ With written approval from the ~~Department~~ Division when there is a change in the carryover cap level, a change from one type of Pick (n) wagering to another, or when the Pick (n) is discontinued; or
 - c. On the closing performance of the racing meet meeting or split meet.
10. If, for any reason, the Pick (n) carryover must be held over to the corresponding Pick (n) pool of a subsequent racing meet meeting, the carryover shall be deposited in an interest-bearing account approved by the ~~Department~~ Division. The Pick (n) carryover plus accrued interest shall then be added to the net Pick (n) pool of the following racing meet meeting on a date and performance ~~so~~ designated by the ~~Department~~ Division.
11. With the written approval of the ~~Department~~ Division, the permittee may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap level.

12. ~~Providing~~ A person shall not provide information to any other person regarding covered wagering combinations, amounts wagered on specific wagering combinations, number of tickets sold, or number of live tickets remaining ~~is strictly prohibited~~. This ~~shall not prohibit~~ prohibition does not apply to necessary communication between totalisator and pari-mutuel department employees necessary for processing of pool data.
13. The permittee ~~may suspend~~ shall obtain approval from the Division before suspending a previously approved Pick (n) wagering ~~with the prior approval of the Department~~. ~~Any~~ The permittee that suspends a Pick (n) wagering shall hold any carryover shall be held until the suspended Pick (n) wagering is reinstated. ~~A~~ The permittee may request approval from the Division of a Pick (n) wager or separate wagering pool for specific performances.

Table 7. Pick 7 Pool - Multiple Takeout Rates & Multiple Betting Wagering Sources

| Table 7: PICK 7 POOL | | | | | |
|--|------------------------|---------------------|--------------------------|---------------------|------------------------|
| Multiple Takeout Rates & Multiple Betting Sources | | | | | |
| <i>(Net Price Calculation)</i> | | | | | |
| | <u>Percent Takeout</u> | <u>Gross Pool</u> | <u>Gross Amt. Bet on</u> | <u>Net Pool</u> | <u>Net Amt. Bet on</u> |
| | | | <u>Win</u> | | <u>Win</u> |
| Source 1: | 16% | \$190,000.00 | \$44.00 | \$159,600.00 | \$36.96 |
| Source 2: | 18.5% | \$10,000.00 | \$18.00 | \$8,150.00 | \$14.67 |
| Source 3: | 21% | <u>\$525,730.00</u> | <u>\$124.00</u> | <u>\$415,326.70</u> | <u>\$97.96</u> |
| TOTALS: | | \$725,730.00 | \$186.00 | \$583,076.70 | \$149.59 |
| <u>Total Profit:</u> | | | | | |
| Total Net Pool – Total Net Bet on the Winning | | | | | |
| Combination = \$582,927.11 | | | | | |
| <u>Profit Per Dollar:</u> | | | | | |
| Total Profit / Total Net Bet on the Winning | | | | | |
| Combination = \$3,896.8321 | | | | | |
| <u>\$1 Unbroken Base Price:</u> | | | | | |
| Profit Per Dollar + \$1 = \$3,897.8321 | | | | | |
| <u>\$1 Unbroken Price for Source 1:</u> | | | | | |
| \$1 Unbroken Base Price x (1 – Percent Takeout) = \$3,274.1789 | | | | | |

\$1 Unbroken Price for Source 2:

$$\text{\$1 Unbroken Base Price} \times (1 - \text{Percent Takeout}) = \$3,176.7331$$

\$1 Unbroken Price for Source 3:

$$\text{\$1 Unbroken Base Price} \times (1 - \text{Percent Takeout}) = \$3,079.2873$$

Table 7: PICK 7 POOL

Multiple Takeout Rates & Multiple Wagering Sources

(Net Price Calculation)

| | <u>%Takeout</u> | <u>Gross Pool</u> | <u>Gross Amt</u> <u>Wagered on Win</u> | <u>Net Pool</u> | <u>Net Amt Wagered</u> <u>on Win</u> |
|----------------|-----------------|---------------------|---|---------------------|---|
| Source 1: | <u>16%</u> | <u>\$190,000.00</u> | <u>\$44.00</u> | <u>\$159,600.00</u> | <u>\$36.96</u> |
| Source 2: | <u>18.5%</u> | <u>\$10,000.00</u> | <u>\$18.00</u> | <u>\$8,150.00</u> | <u>\$14.67</u> |
| Source 3: | <u>21%</u> | <u>\$525,730.00</u> | <u>\$124.00</u> | <u>\$415,326.70</u> | <u>\$97.96</u> |
| TOTALS: | | <u>\$725,730.00</u> | <u>\$186.00</u> | <u>\$583,076.70</u> | <u>\$149.59</u> |

Total profit: Total net pool – total net wagered on the winning wagering combination = \$582,927.11

Profit per dollar: Total profit ÷ total net wagered on the winning wagering combination = \$3,896.8321

\$1 Unbroken base price: Profit per dollar + \$1 = \$3,897.8321

\$1 Unbroken price for source 1: \$1 Unbroken base price x (1 – percent takeout) = \$3,274.1789

\$1 Unbroken price for source 2: \$1 Unbroken base price x (1 – percent takeout) = \$3,176.7331

\$1 Unbroken price for source 3: \$1 Unbroken base price x (1 – percent takeout) = \$3,079.2873

H. Place Pick (n) Pools

1. The Place Pick (n) requires ~~selection of~~ a person to select the first- or second-place finisher in each of a designated number of contests. ~~The~~ Before scheduling a Pick (n) contest, the permittee

~~must~~ shall obtain written approval from the ~~Department~~ Division concerning the scheduling of Place Pick (n) contests, the designation of one of the methods prescribed in subsection (H)(2), the distinctive name identifying the pool, and the amount of any cap to be set on the carryover. ~~Any~~ No changes shall be made to the approved Place Pick (n) format ~~require prior~~ without approval from the ~~Department~~ Division.

2. The Place Pick (n) pool shall be apportioned ~~under~~ using one of the following methods:
 - a. *Method 1, Place Pick (n) with Carryover:* The net Place Pick (n) pool and carryover, if any, ~~shall be~~ is distributed as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in each of the Place Pick (n) contests, based upon on the official order of finish. If there are no persons who made such wagers, then a designated percentage of the net pool ~~shall be~~ is distributed as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in the greatest number of Place Pick (n) contests; and the remainder shall be is added to the carryover.
 - b. *Method 2, Place Pick (n) with Minor Pool and Carryover:* The major share of the net Place Pick (n) pool and the carryover, if any, ~~shall be~~ is distributed to ~~those persons~~ who selected the first- or second-place finisher in each of the Place Pick (n) contests, based upon on the official order of finish. The minor share of the net Place Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first- or second-place finisher in the second greatest number of Place Pick (n) contests, based upon on the official order of finish. If ~~there are~~ no wagers selecting person selected the first- or second-place finisher of all Place Pick (n) contests, the minor share of the net Place Pick (n) pool ~~shall be~~ is distributed as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in the greatest number of Place Pick (n) contests; and the major share shall be is added to the carryover.
 - c. *Method 3, Place (n) Pick with No Minor Pool and No Carryover:* The net Place Pick (n) pool ~~shall be~~ is distributed as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in the greatest number of Place Pick (n) contests, based upon on the official order of finish. If there are no persons who made ~~major~~ winning wagers, the pool is refunded.
 - d. *Method 4, Place Pick (n) with Minor Pool and No Carryover:* The major share of the net Place Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first- or second-place finisher in the greatest number of Place Pick (n) contests, based upon on the official order of finish. The minor share of the net Place Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first- or second-place finisher in the second greatest number of Place Pick (n) contests, based upon on the official order of finish. If ~~there are~~ no wagers selecting persons selected the first- or second-place finisher in a the second greatest number

of Place Pick (n) contests, the minor share of the net Place Pick (n) pool ~~shall be~~ is combined with the major share ~~for distribution and distributed~~ as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in the greatest number of Place Pick (n) contests. If the greatest number of first- or second-place finishers selected is ~~± one~~, the major and minor shares are combined ~~for distribution and distributed~~ as a single price pool. If ~~there are~~ no person made a winning wagers wager, the pool is refunded.

- e. *Method 5, Place Pick (n) with Minor Pool and No Carryover:* The major share of the net Place Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first- or second-place finisher in each of the Place Pick (n) contests, based ~~upon~~ on the official order of finish. The minor share of the net Place Pick (n) pool ~~shall be~~ is distributed to ~~those persons~~ who selected the first- or second-place finisher in the second greatest number of Place Pick (n) contests, based ~~upon~~ on the official order of finish. If ~~there are~~ no persons made wagers selecting the first- or second-place finisher in all Place Pick (n) contests, the entire net Place Pick (n) pool ~~shall be~~ is distributed as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in the greatest number of Place Pick (n) contests. If ~~there are~~ no wagers selecting person selected the first or second-place finisher in a the second greatest number of Place Pick (n) contests, the minor share of the net Place Pick (n) pool ~~shall be~~ is combined with the major share ~~for distribution and distributed~~ as a single price pool to ~~those persons~~ who selected the first- or second-place finisher in each of the Place Pick (n) contests. If ~~there are~~ no person made a winning wagers wager, the pool is refunded.
3. If there is a dead heat for first in any of the Place Pick (n) contests involving:
- Contestants representing the same ~~betting~~ wagering interest, the Place Pick (n) pool shall be distributed as if no dead heat occurred.
 - Contestants representing two or more ~~betting~~ wagering interests, the Place Pick (n) pool shall be distributed as a single price pool with a winning wager including each ~~betting~~ wagering interest participating in the dead heat.
4. If there is a dead heat for second in any of the Place Pick (n) contests involving:
- Contestants representing the same ~~betting~~ wagering interest, the Place Pick (n) pool shall be distributed as if no dead heat occurred.
 - Contestants representing two or more ~~betting~~ wagering interests, the Place Pick (n) pool shall be distributed as a single price pool with a winning wager including the ~~betting~~ wagering interest ~~which~~ that finished first or any ~~betting~~ wagering interest involved in a dead heat for second.

5. ~~Should~~ If a betting wagering interest in any Place Pick (n) contest ~~be~~ is scratched, the actual favorite, as evidenced by total amounts wagered in the Win pool ~~at the host association~~ for the contest at the close of wagering on that contest, shall be substituted for the scratched betting wagering interest for all purposes, including pool calculations. ~~In the event that~~ If the Win pool total for two or more favorites is identical, the substitute selection shall be the betting wagering interest with the lowest program number. The totalisator shall produce reports showing each of the wagering combinations with substituted betting wagering interests ~~which that~~ became winners as a result of the substitution, in addition to the normal winning wagering combination.
6. The Place Pick (n) pool shall be cancelled and all Place Pick (n) wagers refunded for the individual performance ~~shall be refunded~~ if:
 - a. At least two contests included as part of a Place Pick 3 are cancelled or declared “no contest.”
 - b. At least three contests included as part of a Place Pick 4, Place Pick 5, or Place Pick 6 are cancelled or declared “no contest.”
 - c. At least four contests included as part of a Place Pick 7, Place Pick 8, or Place Pick 9 are cancelled or declared “no contest.”
 - d. At least five contests included as part of a Place Pick 10 are cancelled or declared “no contest.”
7. If at least one contest included as part of a Place Pick (n) is cancelled or declared “no contest,” but not more than the number specified in subsection (H)(6) ~~of this rule~~, the net pool shall be distributed as a single price pool to ~~those persons~~ whose selection finished first or second in the greatest number of Place Pick (n) contests for that performance. ~~Such~~ This distribution shall include the portion ordinarily retained for the Place Pick (n) carryover but not the carryover from previous performances.
8. ~~The~~ With approval from the Division, the Place Pick (n) carryover may be capped at a designated level, ~~approved by the Department so that if~~ If, at the close of any performance, the amount in the Place Pick (n) carryover equals or exceeds the designated cap level, the Place Pick (n) carryover ~~will be~~ is frozen until it is won or distributed under other provisions of this ~~rule~~ Section. After the Place Pick (n) carryover is frozen, 100% percent of the net pool, part of which ordinarily would be added to the Place Pick (n) carryover, shall be distributed to ~~those persons~~ whose selection finished first or second in the greatest number of Place Pick (n) contests for that performance.
9. ~~A written request for permission to distribute~~ Before designating the Place Pick (n) carryover for distribution on a specific performance, a written request for permission shall ~~may~~ be submitted to the ~~Department~~ Division. ~~The request must contain justification for justifying the distribution, an~~

~~explanation of~~ explaining the benefit to be derived, and specifying the intended date and performance for the distribution.

10. ~~Should~~ If the Place Pick (n) carryover ~~be~~ is designated for distribution on a specified date and performance ~~in which there are~~ and no wagers selecting person selected the first- or second-place finisher in each of the Place Pick (n) contests, the entire pool shall be distributed as a single price pool to ~~those persons~~ whose selection finished first or second in the greatest number of Place Pick (n) contests. The Place Pick (n) carryover shall be designated for distribution on a specified date and performance only under ~~any of~~ the following circumstances:
 - a. ~~Upon~~ With written approval from the ~~Department~~ Division as provided in subsection (H)(9) ~~of this rule;~~
 - b. ~~Upon~~ With written approval from the ~~Department~~ Division when there is a change in the carryover cap level, a change from one type of Place Pick (n) wagering to another, or when the Place Pick (n) is discontinued; or
 - c. On the closing performance of the race meet or split meet.
11. If, for any reason, the Place Pick (n) carryover must be held over to the corresponding Place Pick (n) pool of a subsequent race meet, the carryover shall be deposited in an interest-bearing account approved by the ~~Department~~ Division. The Place Pick (n) carryover plus accrued interest shall ~~then~~ be added to the net Place Pick (n) pool of the following race meet on a date and performance ~~so~~ designated by the ~~Department~~ Division.
12. With the written approval of the ~~Department~~ Division, the permittee may contribute to the Place Pick (n) carryover a sum of money up to the amount of any designated cap level.
13. ~~Providing~~ A person shall not provide information to any other person regarding covered wagering combinations, amounts wagered on specific wagering combinations, number of tickets sold, or number of live tickets remaining ~~is strictly prohibited~~. This ~~shall not prohibit necessary~~ prohibition does not apply to communication between totalisator and pari-mutuel department employees necessary for processing ~~of~~ pool data.
14. The permittee ~~may suspend~~ shall obtain approval from the Division before suspending a previously approved Place Pick (n) wagering ~~with the prior approval of the Department~~. ~~Any~~The permittee that suspends a Place Pick (n) wagering shall hold any carryover ~~shall be held~~ until the suspended Place Pick (n) wagering is reinstated. ~~A~~ The permittee may request approval from the Division of a Place Pick (n) wager or separate wagering pool for specific performances.

I. Quinella Pools

1. The Quinella requires ~~selection of a person to select~~ the first two finishers, irrespective of order, for a single contest.

2. The net Quinella pool shall be distributed to persons who made winning wagers in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. If contestants of a coupled entry or mutuel field ~~finish as~~ are the first two finishers, as a single price pool to ~~those~~ persons selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish; otherwise
 - b. As a single price pool to ~~those~~ persons whose wagering combination finished as the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those~~ persons whose wagering combination included either the first- or second-place finisher; but if there are no ~~such~~ persons with wagers on one of the ~~those~~ first two finishers, then
 - d. As a single price pool to ~~those~~ persons whose wagering combination included the one covered ~~betting~~ wagering interest included within the first two finishers; but if there are no persons with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Quinella wagers for that contest.
3. If there is a dead heat for first involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Quinella pool shall be distributed to ~~those~~ persons selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish.
 - b. Contestants representing two ~~betting~~ wagering interests, the Quinella pool shall be distributed as if no dead heat occurred.
 - c. Contestants representing three or more ~~betting~~ wagering interests, the Quinella pool shall be distributed as a profit split.
4. If there is a dead heat for second involving contestants representing the same ~~betting~~ wagering interest, the Quinella pool shall be distributed as if no dead heat occurred.
5. If there is a dead heat for second involving contestants representing two or more ~~betting~~ wagering interests, the Quinella pool shall be distributed to ~~wagers~~ persons in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. As a profit split to ~~those~~ persons combining the winner with any of the ~~betting~~ wagering interests involved in the dead heat for second, but if there is only one covered wagering combination, then
 - b. As a single price pool to ~~those~~ persons combining the winner with the one covered ~~betting~~ wagering interest involved in the dead heat for second; but if there are no persons with such wagers, then

- c. As a profit split to ~~those persons~~ combining the ~~betting~~ wagering interests involved in the dead heat for second; but if there are no persons with such wagers, then
- d. As a profit split to ~~those persons~~ whose wagering combination included the winner and any other ~~betting~~ wagering interest and ~~wagers persons~~ selecting any of the ~~betting~~ wagering interests involved in the dead heat for second; but if there are no persons with such wagers, then
- e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Quinella wagers for that contest.

J. Quinella Double Pools

- 1. The Quinella Double requires ~~selection of a person to select~~ the first two finishers, irrespective of order, in each of two specified contests.
- 2. The net Quinella Double pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
 - a. If a coupled entry or mutuel field finishes as the first two contestants in either contest, as a single price pool to ~~those persons~~ selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish for that contest, as well as the first two finishers in the alternate Quinella Double contest; otherwise
 - b. As a single price pool to ~~those persons~~ who selected the first two finishers in each of the two Quinella Double contests; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those persons~~ who selected the first two finishers in either of the two Quinella Double contests; but if there are no persons with such wagers on one of ~~those the~~ two contests, then
 - d. As a single price pool to ~~those persons~~ who selected the first two finishers in the one covered Quinella Double contest; but if there were no persons with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Quinella Double wagers for ~~those the two~~ contests.
- 3. If there is a dead heat for first in either of the two Quinella Double contests involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Quinella Double pool shall be distributed to ~~those persons~~ selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish for that contest.
 - b. Contestants representing two ~~betting~~ wagering interests, the Quinella Double pool shall be distributed as if no dead heat occurred.
 - c. Contestants representing three or more ~~betting~~ wagering interests, the Quinella Double pool shall be distributed as a profit split.

4. If there is a dead heat for second in either of the Quinella Double contests involving contestants representing the same ~~betting~~ wagering interest, the Quinella Double pool shall be distributed as if no dead heat occurred.
5. If there is a dead heat for second in either of the Quinella Double contests involving contestants representing two or more ~~betting~~ wagering interests, the Quinella Double pool shall be distributed as a profit split.
6. ~~Should~~ If a ~~betting~~ wagering interest in the first half of the Quinella Double ~~be~~ is scratched ~~prior~~ to ~~before~~ the first Quinella Double contest ~~being~~ is declared official, all money wagered on wagering combinations including the scratched ~~betting~~ wagering interest shall be deducted from the Quinella Double pool and refunded.
7. ~~Should~~ If a ~~betting~~ wagering interest in the second half of the Quinella Double ~~be~~ is scratched ~~prior~~ to ~~before~~ the close of wagering on the first Quinella Double contest, all money wagered on wagering combinations including the scratched ~~betting~~ wagering interest shall be deducted from the Quinella Double pool and refunded.
8. ~~Should~~ If a ~~betting~~ wagering interest in the second half of the Quinella Double ~~be~~ is scratched after the close of wagering on the first Quinella Double contest, a consolation payout shall be allocated to all wagers combining persons who wagered on the winning wagering combination in the first contest with a wagering combination including the scratched ~~betting~~ wagering interest in the second contest ~~shall be allocated a consolation payoff. In calculating~~ To calculate the consolation ~~payoff~~ payout, the net Quinella Double pool shall be divided by the total amount wagered on the winning wagering combination in the first contest, ~~and~~ The quotient is the an unbroken consolation price ~~obtained~~. The unbroken consolation price is multiplied by the dollar value of wagers on the winning wagering combination in the first contest combined with a wagering combination including the scratched ~~betting~~ wagering interest in the second contest to obtain the consolation ~~payoff~~ payout. Breakage is not ~~utilized~~ used in this calculation. The consolation ~~payoff~~ payout is deducted from the net Quinella Double pool before ~~calculation~~ calculating and ~~distribution of~~ distributing the winning Quinella Double ~~payoff~~ payout. ~~In the event of~~ If a dead heat involving separate ~~betting~~ wagering interests occurs, the net Quinella Double pool shall be distributed as a profit split.
9. If either of the Quinella Double contests is cancelled ~~prior~~ to ~~before~~ the first Quinella Double contest, or if the first Quinella Double contest is declared “no contest,” the entire Quinella Double pool shall be refunded ~~on~~ to persons who made Quinella Double wagers for ~~those~~ the two contests.

10. If the second Quinella Double contest is cancelled or declared “no contest” after the conclusion of the first Quinella Double contest, the net Quinella Double pool shall be distributed as a single price pool to ~~wagers selecting~~ persons who selected the winning wagering combination in the first Quinella Double contest. If ~~there are no wagers selecting~~ person selected the winning wagering combination in the first Quinella Double contest, the entire Quinella Double pool shall be refunded ~~on~~ to persons who made Quinella Double wagers for ~~those~~ the two contests.

K. Exacta Pools

1. The Exacta requires ~~selection of a person to select~~ the first two finishers, in their exact order, for a single contest.
2. The net Exacta pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
 - a. If contestants of a coupled entry or mutuel field finish as the first two finishers, as a single price pool to ~~those persons~~ selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish; otherwise
 - b. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those persons~~ whose wagering combination included either the first-place ~~betting~~ wagering interest to finish first or the second-place ~~betting~~ wagering interest to finish second; but if there are no ~~such persons with~~ wagers on one of those two finishers, then
 - d. As a single price pool to ~~those persons~~ whose wagering combination included the one covered ~~betting~~ wagering interest to finish first or second in the correct sequence; but if there are no persons with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Exacta wagers for that contest.
3. If there is a dead heat for first involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, the Exacta pool shall be distributed as a single price pool to ~~those persons~~ selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish.
 - b. Contestants representing two or more ~~betting~~ wagering interests, the Exacta pool shall be distributed as a profit split.
4. If there is a dead heat for second involving contestants representing the same ~~betting~~ wagering interest, the Exacta pool shall be distributed as if no dead heat occurred.

5. If there is a dead heat for second involving contestants representing two or more betting wagering interests, the Exacta pool shall be distributed to ~~ticket holders~~ persons in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. As a profit split to ~~those persons~~ combining the first-place betting wagering interest with any of the betting wagering interests involved in the dead heat for second; but if there is only one covered wagering combination, then
 - b. As a single price pool to ~~those persons~~ combining the first-place betting wagering interest with the one covered betting wagering interest involved in the dead heat for second; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those wagers persons~~ correctly selecting the winner for first place and ~~those wagers persons~~ selecting any of the dead-heated betting wagering interests for second place; but if there are no persons with such wagers, then
 - d. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Exacta wagers for that contest.

L. Trifecta Pools

1. The Trifecta requires ~~selection of a person to select~~ the first three finishers, in their exact order, for a single contest.
2. The net Trifecta pool shall be distributed to persons who made winning wagers in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first three betting wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those persons~~ whose wagering combination included, in correct sequence, the first two betting wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those persons~~ whose wagering combination correctly selected the first-place betting wagering interest only; but if there are no persons with such wagers, then
 - d. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Trifecta wagers for that contest.
3. If ~~less~~ fewer than three betting wagering interests finish and the contest is declared official, ~~payoffs payouts will~~ shall be made based ~~upon~~ on the order of finish of ~~those~~ the betting wagering interests completing the contest. The balance of any selection beyond the number of betting wagering interests completing the contest shall be ignored.
4. If there is a dead heat for first involving:
 - a. Contestants representing three or more betting wagering interests, the net Trifecta pool shall be distributed as a profit split to all of the persons with a wagering combinations combination

- selecting three ~~betting~~ wagering interests ~~which that~~ correspond with any of the ~~betting~~ wagering interests involved in the dead heat ~~shall share in a profit split~~.
- b Contestants representing two ~~betting~~ wagering interests, the net Trifecta pool shall be distributed as a profit split to persons both of the with a wagering combinations combination selecting the two dead-heated ~~betting~~ wagering interests, irrespective of order, along with the third-place ~~betting~~ wagering interest ~~shall share in a profit split~~.
5. If there is a dead heat for second, ~~all of the combinations~~ the net Trifecta pool shall be distributed as a profit split to persons with a wagering combination correctly selecting the winner combined with any of the ~~betting~~ wagering interests involved in the dead heat for second ~~shall share in a profit split~~.
6. If there is a dead heat for third, ~~all~~ the net Trifecta pool shall be distributed as a profit split to persons with a wagering combinations combination correctly selecting the first two finishers, in correct sequence, along with any of the ~~betting~~ wagering interests involved in the dead heat for third ~~shall share in a profit split~~.

M. Superfecta Pools

1. The Superfecta requires ~~selection of a person to select~~ the first four finishers, in their exact order, for a single contest.
2. The net Superfecta pool shall be distributed to persons who made winning wagers in the following ~~precedence order~~, based ~~upon on~~ the official order of finish:
 - a. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first four ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those persons~~ whose wagering combination included, in correct sequence, the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those persons~~ whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - d. As a single price pool to ~~those persons~~ whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Superfecta wagers for that contest.
3. If ~~less~~ fewer than four ~~betting~~ wagering interests finish and the contest is declared official, ~~payoffs will~~ payouts shall be made based ~~upon on~~ the order of finish of ~~those~~ the ~~betting~~

wagering interests completing the contest. The balance of any selection beyond the number of betting wagering interests completing the contest shall be ignored.

4. If there is a dead heat for first involving:
 - a. Contestants representing four or more betting wagering interests, ~~all of the net Superfecta pool shall be distributed as a profit split to persons with a~~ wagering combinations combination selecting four betting wagering interests ~~which that~~ correspond with any of the betting wagering interests involved in the dead heat ~~shall share in a profit split~~.
 - b. Contestants representing three betting wagering interests, ~~all of the net Superfecta pool shall be distributed as a profit split to persons with a~~ wagering combinations combination selecting the three dead-heated betting wagering interests, irrespective of order, along with the fourth-place betting wagering interest ~~shall share in a profit split~~.
 - c. Contestants representing two betting wagering interests, ~~both of the net Superfecta pool shall be distributed as a profit split to persons with a~~ wagering combinations combination selecting the two dead-heated betting wagering interests, irrespective of order, along with the third-place and fourth-place betting wagering interests ~~shall share in a profit split~~.
5. If there is a dead heat for second involving:
 - a. Contestants representing three or more betting wagering interests, ~~all of the net Superfecta pool is distributed as a profit split to persons with a~~ wagering combinations combination correctly selecting the winner combined with any of the three betting wagering interests involved in the dead heat for second ~~shall share in a profit split~~.
 - b. Contestants representing two betting wagering interests, ~~all of the net Superfecta pool is distributed as a profit split to persons with a~~ wagering combinations combination correctly selecting the winner, the two dead-heated betting wagering interests, irrespective of order, and the fourth-place betting wagering interest ~~shall share in a profit split~~.
6. If there is a dead heat for third, ~~all the net Superfecta pool is distributed as a profit split to persons~~ with a wagering combinations combination correctly selecting the first two finishers, in correct sequence, along with any two of the betting wagering interests involved in the dead heat for third ~~shall share in a profit split~~.
7. If there is a dead heat for fourth, ~~all the net Superfecta pool is distributed as a profit split to~~ persons with a wagering combinations combination correctly selecting the first three finishers, in correct sequence, along with any of the betting wagering interests involved in the dead heat for fourth ~~shall share in a profit split~~.

N. Twin Quinella Pools

1. The Twin Quinella requires ~~selection of a person to select~~ the first two finishers, irrespective of order, in each of two designated contests. ~~Each~~ The holder of a winning ticket for the first Twin Quinella contest ~~must be exchanged~~ shall exchange the winning ticket for a free ticket on the second Twin Quinella contest ~~in order~~ to remain eligible for the ~~second half~~ second Twin Quinella pool. ~~Such tickets~~ The holder of a winning ticket may be exchanged exchange the ticket only at an attended ticket windows prior to pari-mutuel window before the second Twin Quinella contest. ~~There will be no monetary reward for winning~~ No payout shall be made to a person who wins the first Twin Quinella contest. Both of the designated Twin Quinella contests shall be included in only one Twin Quinella pool.
2. In the first Twin Quinella contest only, the holders of winning wagers tickets shall be determined using the following ~~precedence~~ order, based ~~upon~~ on the official order of finish for the first Twin Quinella contest:
 - a. If a coupled entry or mutuel field finishes as the first two finishers, ~~those~~ ticket holders who selected the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish ~~shall be~~ are winners; otherwise
 - b. ~~Those~~ Ticket holders whose wagering combination finished as the first two ~~betting~~ wagering interests ~~shall be~~ are winners; but if there are no ticket holders who made such wagers, then
 - c. ~~Those~~ Ticket holders whose wagering combination included either the first- or second-place finisher ~~shall be~~ are winners; but if there are no ~~such~~ ticket holders who made wagers on ~~one of those two~~ the first- or second-place finishers, then
 - d. ~~Those~~ Ticket holders whose wagering combination included the one covered ~~betting~~ wagering interest included within the first two finishers ~~shall be~~ are winners; but if there are no ticket holders with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to ticket holders who made Twin Quinella wagers for that contest.
3. In the first Twin Quinella contest only, if there is a dead heat for first involving:
 - a. Contestants representing the same ~~betting~~ wagering interest, ~~those~~ persons who selected the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish shall be winners.
 - b. Contestants representing two ~~betting~~ wagering interests, ~~the winning Twin Quinella wagers~~ winners shall be determined as if no dead heat occurred.
 - c. Contestants representing three or more ~~betting~~ wagering interests, ~~those~~ persons whose wagering combination included any two of the ~~betting~~ wagering interests finishing in the dead heat shall be winners.

4. In the first Twin Quinella contest only, if there is a dead heat for second involving contestants representing two or more ~~betting~~ wagering interests, the Twin Quinella pool shall be distributed to ~~wagers~~ persons in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
 - a. As a profit split to ~~those~~ persons combining the winner with any of the ~~betting~~ wagering interests involved in the dead heat for second; but if there is only one covered wagering combination, then
 - b. As a single price pool to ~~those~~ persons combining the winner with the one covered ~~betting~~ wagering interest involved in the dead heat for second, but if there are no persons with such wagers, then
 - c. As a profit split to ~~those~~ persons combining the ~~betting~~ wagering interests involved in the dead heat for second; but if there are no persons with such wagers, then
 - d. As a profit split to ~~those~~ persons whose wagering combination included the winner and any other ~~betting~~ wagering interest and ~~wagers~~ persons selecting any of the ~~betting~~ wagering interests involved in the dead heat for second; but if there are no persons with such wagers, then
 - e. The entire pool ~~shall be~~ is refunded ~~on~~ to persons who made Twin Quinella wagers for the first contest.
5. In the second Twin Quinella contest only, the entire net Twin Quinella pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish for the second Twin Quinella contest:
 - a. If a coupled entry or mutuel field finishes as the first two finishers, as a single price pool to ~~those~~ persons who selected the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish; otherwise
 - b. As a single price pool to ~~those~~ persons whose wagering combination finished as the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those~~ persons whose wagering combination included either the first- or second-place finisher; but if there are no ~~such~~ persons with wagers on ~~one of those two~~ the first- or second-place finishers, then
 - d. As a single price pool to ~~those~~ persons whose wagering combination included the one covered ~~betting~~ wagering interest included within the first two finishers; but if there are no persons with such wagers, then
 - e. As a single price pool to all the exchange ticket holders for ~~that~~ the second contest; but if there are no ~~such tickets~~ exchange tickets holders, then
 - f. In accordance with subsection (N)(2) of the Twin Quinella.

6. In the second Twin Quinella contest only, if there is a dead heat for first involving:
 - a. Contestants representing the same betting wagering interest, the net Twin Quinella pool shall be distributed to ~~those persons~~ selecting the coupled entry or mutuel field combined with the next separate betting wagering interest in the official order of finish.
 - b. Contestants representing two betting wagering interests, the net Twin Quinella pool shall be distributed as if no dead heat occurred.
 - c. Contestants representing three or more betting wagering interests, the net Twin Quinella pool shall be distributed as a profit split to ~~those persons~~ whose wagering combination included any two of the betting wagering interests finishing in the dead heat.
7. In the second Twin Quinella contest only, if there is a dead heat for second involving contestants representing two or more betting wagering interests, the Twin Quinella pool shall be distributed to persons who made wagers in the following precedence order, based ~~upon~~ on the official order of finish:
 - a. As a profit split to ~~those persons~~ combining the winner with any of the betting wagering interests involved in the dead heat for second; but if there is only one covered wagering combination, then
 - b. As a single price pool to ~~those persons~~ combining the winner with the one covered betting wagering interest involved in the dead heat for second; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those persons~~ combining the betting wagering interests involved in the dead heat for second; but if there are no persons with such wagers, then
 - d. As a profit split to ~~those persons~~ whose wagering combination included the winner and any other betting wagering interest and wagers persons selecting any of the betting wagering interests involved in the dead heat for second, then
 - e. As a single price pool to all the exchange ticket holders for ~~that~~ the second contest; but if there are no ~~such tickets~~ exchange ticket holders, then
 - f. In accordance with subsection (N)(2) of the Twin Quinella.
8. ~~If~~ The holder of a winning ticket for the first-half of the Twin Quinella ~~is not presented~~ who fails to present the winning ticket for exchange ~~prior to~~ before the close of betting wagering on the second-half Twin Quinella contest, ~~the ticket holder~~ forfeits all rights to ~~any~~ distribution of the Twin Quinella pool resulting from the outcome of the second contest.
9. ~~Should~~ If a betting wagering interest in the first half of the Twin Quinella ~~be~~ is scratched, ~~those~~ all Twin Quinella wagers including that included the scratched betting wagering interest shall be refunded.

10. ~~Should~~ If a betting wagering interest in the second half of the Twin Quinella be is scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting wagering interest. If tickets have not been exchanged prior to the holder of a ticket that includes the scratched wagering interest fails to exchange the ticket before the close of betting wagering for the second Twin Quinella contest, the ticket holder forfeits all rights to the Twin Quinella pool.
11. If either of the Twin Quinella contests is cancelled prior to before the first Twin Quinella contest, or the first Twin Quinella contest is declared “no contest,” the entire Twin Quinella pool shall be refunded on to persons who made Twin Quinella wagers for that the contest.
12. If the second-half Twin Quinella contest is cancelled or declared “no contest” after the conclusion of the first Twin Quinella contest, the net Twin Quinella pool shall be distributed as a single price pool to wagers selecting persons who selected the winning wagering combination in the first Twin Quinella contest and all hold a valid exchange tickets ticket. If there are no such wagers person holds a valid exchange ticket, the net Twin Quinella pool shall be distributed as described in subsection (N)(2) of the Twin Quinella rules.

O. Twin Trifecta Pools

1. The Twin Trifecta requires selection of a person to select the first three finishers, in their exact order, in each of two designated contests. Each The holder of a winning ticket for the first Twin Trifecta contest must be exchanged shall exchange the winning ticket for a free ticket on the second Twin Trifecta contest in order to remain eligible for the second-half Twin Trifecta pool. Such tickets may be exchanged The holder of a winning ticket shall exchange the ticket only at an attended ticket windows prior to pari-mutuel window before the second Twin Trifecta contest. Winning Both a ticket exchange and payout shall be made to the holder of a winning ticket for the first-half Twin Trifecta contest wagers will receive both an exchange and a monetary payoff. Both of the designated Twin Trifecta contests shall be included in only one Twin Trifecta pool.
2. After wagering closes for the first half of the Twin Trifecta and commissions have been deducted from the pool, the net pool shall then be divided into two separate pools: the first-half Twin Trifecta pool and the second-half Twin Trifecta pool.
3. In the first Twin Trifecta contest only, winning wagers shall be determined using the following precedence order, based upon on the official order of finish for the first Twin Trifecta contest:
 - a. As a single price pool to those persons whose wagering combination finished in correct sequence as the first three betting wagering interests; but if there are no persons with such wagers, then

- b. As a single price pool to ~~those persons~~ whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those persons~~ whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - d. The entire Twin Trifecta pool ~~shall be~~ is refunded ~~on~~ to persons who made Twin Trifecta wagers for that contest and the second half ~~shall be~~ is cancelled.
4. If no first-half Twin Trifecta ticket holder selected ~~selects~~ the first three finishers of that contest in exact order, an exchange ticket for the second-half Twin Trifecta pool shall not be provided to holders of other winning ticket tickets holders shall not receive any exchange tickets for the second half Twin Trifecta pool. In such case, and the second-half Twin Trifecta pool shall be retained and added to any existing Twin Trifecta carryover pool.
5. ~~Winning tickets~~ The holder of a winning ticket from the first half of the Twin Trifecta shall ~~be exchanged for tickets~~ exchange the winning ticket for a ticket selecting the first three finishers of the second-half of the Twin Trifecta. The second-half Twin Trifecta pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish for the second Twin Trifecta contest:
- a. As a single price pool, including any existing carryover monies, to ~~those persons~~ whose wagering combination finished in correct sequence as the first three ~~betting~~ wagering interests; but if ~~there are no such tickets~~ person made a winning wager, then
 - b. The entire second-half Twin Trifecta pool for ~~that the second~~ contest ~~shall be~~ is added to any existing carryover monies and retained for the corresponding second-half Twin Trifecta pool of the next consecutive performance.
6. If the holder of a winning first-half Twin Trifecta ticket ~~is not presented~~ fails to present the winning ticket for cashing and exchange ~~prior to~~ before the second-half Twin Trifecta contest, the ticket holder may ~~still~~ collect the monetary value associated with the first-half Twin Trifecta pool but forfeits all rights to any distribution of the second-half Twin Trifecta pool.
7. ~~Should~~ If a betting wagering interest in the first half of the Twin Trifecta ~~be~~ is scratched, ~~those all~~ Twin Trifecta wagers ~~including that included~~ the scratched betting wagering interest shall be refunded.
8. ~~Should~~ If a betting wagering interest in the second-half of the Twin Trifecta ~~be~~ is scratched, an announcement concerning the scratch shall be made and a reasonable amount of time ~~shall be~~ provided for exchange of tickets that include the scratched betting wagering interest. If ~~tickets have not been exchanged prior to~~ the holder of a ticket that includes the scratched wagering

- interest fails to exchange the ticket before the close of ~~betting~~ wagering for the second Twin Trifecta contest, the ticket holder forfeits all rights to the second-half Twin Trifecta pool.
9. If, due to a late scratch, the number of ~~betting~~ wagering interests in the second half of the Twin Trifecta is reduced to fewer than the minimum, all holders of an exchange tickets ticket and holders of an outstanding first-half winning tickets shall be ticket are entitled to the second-half Twin Trifecta pool ~~for that contest~~ as a single price pool, but are not entitled to the Twin-Trifecta Twin Trifecta carryover.
 10. If there is a dead heat or multiple dead heats in either the first- or second-half of the Twin Trifecta, all persons who made Twin Trifecta wagers selecting the correct order of finish, counting a ~~betting~~ wagering interest involved in a dead heat as finishing in any dead-heated position, ~~shall be a winner~~ are winners. In the case of a dead heat occurring in:
 - a. The first half of the Twin Trifecta, the ~~payoff shall be~~ payout is calculated as a profit split.
 - b. The second half of the Twin Trifecta, the ~~payoff shall be~~ payout is calculated as a single price pool.
 11. If either of the Twin Trifecta contests ~~are~~ is cancelled ~~prior to~~ before the first Twin Trifecta contest, or the first Twin Trifecta contest is declared “no contest,” the entire Twin Trifecta pool shall be refunded ~~on~~ to persons who made Twin Trifecta wagers for ~~that~~ the first contest and the second half ~~shall be~~ cancelled.
 12. If the second-half Twin Trifecta contest is cancelled or declared “no contest,” the net Twin Trifecta pool shall be distributed for the second contest but not the Twin-Trifecta carryover as a single price pool to all holders of an exchange tickets and ticket or an outstanding first-half winning Twin Trifecta tickets shall be entitled to the net Twin Trifecta pool for that contest as a single price pool, ticket but not Twin Trifecta carryover. If there ~~are no such tickets~~ is no holder of an exchange or outstanding first-half winning ticket, the net Twin Trifecta pool shall be distributed as described in subsection (O)(3) ~~of the Twin Trifecta rules~~.
 13. The ~~Twin Trifecta~~ Twin Trifecta carryover may be capped at a designated level approved by the ~~Department~~ Division. ~~so that if~~ If, at the close of any performance, the amount in the Twin-Trifecta carryover equals or exceeds the designated cap, the ~~Twin Trifecta~~ Twin Trifecta carryover ~~will be~~ is frozen until it is won or distributed under other provisions of this ~~rule~~ Section. After the Twin Trifecta carryover is frozen, 100% percent of the net Twin Trifecta pool for each individual contest shall be distributed to carryover winners of the first half of the Twin Trifecta pool.
 14. ~~A written request for permission to distribute~~ Before designating the Twin-Trifecta Twin Trifecta carryover for distribution on a specific performance, a written request for permission ~~may~~ shall be

submitted to the ~~Department Division~~. ~~The request must contain justification for justifying~~ the distribution, ~~an explanation of explaining~~ the benefit to be derived, and ~~specifying~~ the intended date and performance for the distribution.

15. ~~Should~~ If the ~~Twin Trifecta~~ Twin Trifecta carryover ~~be~~ is designated for distribution on a specified date and performance, the following ~~precedence order will be followed in determining~~ shall be used to determine winning tickets for the second half of the Twin Trifecta after completion of the first half of the Twin Trifecta:
 - a. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those persons~~ whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those persons~~ whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - d. As a single price pool to holders of valid exchange tickets; ~~or~~
 - e. ~~As a single price pool to holders of outstanding first-half winning tickets.~~
16. Contrary to subsection (O)(4) ~~of the Twin Trifecta rules~~, during a performance designated to distribute the ~~Twin Trifecta~~ Twin Trifecta carryover, exchange tickets ~~will~~ shall be issued for ~~those~~ wagering combinations selecting the greatest number of ~~betting~~ wagering interests in their correct order of finish for the first half of the Twin Trifecta. If there are no persons with wagers correctly selecting the first-, second-, and third-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first- and second-place ~~betting~~ wagering interests. If there are no persons with wagers correctly selecting the first- and second-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first-place ~~betting~~ wagering interest only. If ~~there are no wagers selecting~~ person selected the first-place ~~betting~~ wagering interest only in the first half of the Twin Trifecta, all first-half tickets will become winners and ~~will~~ receive 100% percent of ~~that~~ the day's net Twin Trifecta pool and any existing ~~Twin Trifecta~~ Twin Trifecta carryover as a single price pool.
17. The ~~Twin Trifecta~~ Twin Trifecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:
 - a. ~~Upon~~ With written approval from the ~~Department Division~~ as provided in subsection ~~(O)(15)~~ (O)(14) of the Twin Trifecta rules.

- b. ~~Upon~~ With written approval from the ~~Department~~ Division when there is a change in the carryover cap or when the Twin Trifecta is discontinued, ~~or~~
 - c. On the closing performance of the race meet or split meet.
18. If, for any reason, the ~~Twin Trifecta~~ Twin Trifecta carryover must be held over to the corresponding Twin Trifecta pool of a subsequent race meet, the carryover shall be deposited in an interest-bearing account approved by the ~~Department~~ Division. The ~~Twin Trifecta~~ Twin Trifecta carryover plus accrued interest shall ~~then~~ be added to the second-half Twin Trifecta pool of the following race meet on a date and performance so designated by the ~~Department~~ Division.
19. ~~Providing~~ A person shall not provide information to any other person regarding covered wagering combinations, amounts wagered on specific wagering combinations, number of tickets sold, or number of valid exchange tickets ~~is prohibited~~. This ~~shall not prohibit necessary~~ prohibition does not apply to communication between totalisator and pari-mutuel department employees necessary for processing of pool data.
20. The permittee ~~must~~ shall obtain written approval from the ~~Department~~ Division concerning the scheduling of Twin Trifecta contests, ~~the~~ percentages of the net pool added to the first-half pool and second-half pool, and ~~the~~ amount of any carryover cap to be set ~~on the carryover~~. ~~Any changes to the~~ An approved Twin Trifecta format require prior shall not be changed without approval from the ~~Department~~ Division.

P. Tri-Superfecta Pools

1. The Tri-Superfecta requires ~~selection of a person to select~~ the first three finishers, in their exact order, in the first of two designated contests and the first four finishers, in exact order, in the second of the two designated contests. ~~Each~~ The holder of a winning ticket for the first Tri-Superfecta contest must be exchanged shall exchange the winning ticket for a free ticket on the second Tri-Superfecta contest ~~in order~~ to remain eligible for the second-half Tri-Superfecta pool. ~~Such tickets~~ The holder of a winning ticket may be exchanged exchange the ticket only at an attended ticket windows prior to pari-mutuel window before the second Tri-Superfecta contest. ~~Winning~~ The holder of a winning first-half Tri-Superfecta tickets will receive ticket shall receive both an exchange ticket and a monetary ~~payoff~~ payout. Both of the designated Tri-Superfecta contests shall be included in only one Tri-Superfecta pool.
2. After wagering closes for the first-half of the Tri-Superfecta and commissions have been deducted from the pool, the net pool shall then be divided into two separate pools: the first-half Tri-Superfecta pool and the second-half Tri-Superfecta pool.

3. In the first Tri-Superfecta contest only, winning ~~tickets shall be determined~~ wagers shall be determined using the following precedence order, based ~~upon~~ on the official order of finish for the first Tri-Superfecta contest:
 - a. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those persons~~ whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those persons~~ whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - d. The entire Tri-Superfecta pool ~~shall be~~ is refunded ~~on~~ to persons who made Tri-Superfecta wagers for ~~that the first~~ contest and the second ~~half shall be~~ contest is cancelled.
4. If no first-half Tri-Superfecta ticket ~~selects~~ holder selected the first three finishers of that contest in exact order, an exchange ticket for the second-half Tri-Superfecta pool shall not be provided to holders of other winning ticket holders shall not receive any exchange tickets for the second-half Tri-Superfecta pool. In such case, and the second-half Tri-Superfecta pool shall be retained and added to any existing Tri-Superfecta carryover pool.
5. ~~Winning tickets~~ The holder of a winning ticket from the first half of the Tri-Superfecta shall ~~be exchanged for tickets~~ exchange the winning ticket for a ticket selecting the first four finishers of the second-half of the Tri-Superfecta. The second-half Tri-Superfecta pool shall be distributed to persons who made winning wagers in the following precedence order, based ~~upon~~ on the official order of finish for the second Tri-Superfecta contest:
 - a. As a single price pool, including any existing carryover monies, to ~~those persons~~ whose wagering combination finished in correct sequence as the first four ~~betting~~ wagering interests; but if there are no persons who made such ~~tickets~~ wagers, then
 - b. The entire second-half Tri-Superfecta pool ~~for that contest shall be~~ is added to any existing carryover monies and retained for the corresponding second-half Tri-Superfecta pool of the next performance.
6. If the holder of a winning first-half Tri-Superfecta ticket ~~is not presented~~ fails to present the winning ticket for cashing and exchange ~~prior to~~ before the second-half Tri-Superfecta contest, the ticket holder may ~~still~~ collect the monetary value associated with the first-half Tri-Superfecta pool but forfeits all rights to any distribution of the second-half Tri-Superfecta pool.
7. Coupled entries and mutuel fields shall be prohibited in Tri-Superfecta contests.

8. ~~Should~~ If a betting wagering interest in the first-half of the Tri-Superfecta be is scratched, those all Tri-Superfecta tickets including wagers that included the scratched betting wagering interest shall be refunded.
9. ~~Should~~ If a betting wagering interest in the second-half of the Tri-Superfecta be is scratched, an announcement concerning the scratch shall be made and a reasonable amount of time shall be provided for exchange of tickets that include the scratched betting wagering interest. If tickets have not been exchanged prior to the holder of a ticket that includes the scratched wagering interest fails to exchange the ticket before the close of betting wagering for the second Tri-Superfecta contest, the ticket holder forfeits all rights to the second-half Tri-Superfecta pool.
10. If, due to a late scratch, the number of betting wagering interests in the second-half of the Tri-Superfecta is reduced to fewer than the minimum, all holders of an exchange tickets ticket and holders of an outstanding first-half winning tickets shall be ticket are entitled to the second-half Tri-Superfecta pool for that contest as a single price pool, but are not entitled to the Tri-Superfecta carryover.
11. If there is a dead heat or multiple dead heats in either the first or second half of the Tri-Superfecta, all persons who made Tri-Superfecta tickets wagers selecting the correct order of finish, counting a betting wagering interest involved in a dead heat as finishing in any dead-heated position, ~~shall be a winner~~ are winners. In the case of a dead heat occurring in:
 - a. The first-half of the Tri-Superfecta, the ~~payoff shall be~~ payout is calculated as a profit split.
 - b. The second-half of the Tri-Superfecta, the ~~payoff shall be~~ payout is calculated as a single price pool.
12. If either of the Tri-Superfecta contests ~~are is~~ cancelled ~~prior to~~ before the first Tri-Superfecta contest, or the first Tri-Superfecta contest is declared “no contest,” the entire Tri-Superfecta pool shall be refunded ~~on to persons who made Tri-Superfecta wagers for that~~ the first contest and the second ~~half contest is~~ shall be cancelled.
13. If the second-half Tri-Superfecta contest is cancelled or declared “no contest,” the net Tri-Superfecta pool shall be distributed for the second contest but not the Tri-Superfecta carryover as a single price pool to all holders of an exchange tickets ticket and or an outstanding first-half winning Tri-Superfecta tickets ticket shall be entitled to the net Tri-Superfecta pool for that contest as a single price pool, but not the Tri-Superfecta carryover. If no there are no such holders of exchange or outstanding first-half winning tickets, the net Tri-Superfecta pool shall be distributed as described in subsection (P)(3) of the Tri-Superfecta rules.
14. The Tri-Superfecta carryover may be capped at a designated level approved by the ~~Department Division~~, so that if If, at the close of any performance, the amount in the Tri-Superfecta carryover

equals or exceeds the designated cap, the Tri-Superfecta carryover ~~will be~~ is frozen until it is won or distributed under other provisions of this ~~rule~~ Section. After the second-half Tri-Superfecta carryover is frozen, 100% percent of the net Tri-Superfecta pool for each individual contest shall be distributed to winners of the first-half of the Tri-Superfecta pool.

15. ~~A written request for permission to distribute~~ Before designating the Tri-Superfecta carryover for distribution on a specific performance a written request for permission shall ~~may~~ be submitted to the ~~Department~~. ~~The request must contain justification for~~ Division justifying the distribution, ~~an explanation of~~ explaining the benefit to be derived, and specifying the intended date and performance for the distribution.
16. ~~Should~~ If the Tri-Superfecta carryover ~~be~~ is designated for distribution on a specified date and performance, the following precedence order shall be used ~~will be followed in determining to determine~~ winning tickets for the second half of the Tri-Superfecta after completion of the first half of the Tri-Superfecta:
 - a. As a single price pool to ~~those~~ persons whose wagering combination finished in correct sequence as the first four ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - d. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - e. As a single price pool to holders of valid exchange tickets- or
 - f. ~~As a single price pool to holders of~~ outstanding first-half winning tickets.
17. Contrary to subsection (P)(4) ~~of the Tri-Superfecta rules~~, during a performance designated to distribute the Tri-Superfecta carryover, exchange tickets will be issued for ~~those~~ wagering combinations selecting the greatest number of ~~betting~~ wagering interests in their correct order of finish for the first-half of the Tri-Superfecta. If ~~there are no wagers~~ person made a wager correctly selecting the first-, second-, and third-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first- and second-place ~~betting~~ wagering interests. If ~~there are no wagers~~ person made a wager correctly selecting

the first- and second-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first-place ~~betting~~ wagering interest only. If ~~there are~~ no ~~wagers~~ person made a wager selecting the first-place ~~betting~~ wagering interest only in the first half of the Tri-Superfecta, all first-half tickets will become winners and ~~will~~ receive 100% percent of ~~that~~ the day's net Tri-Superfecta pool and any existing Tri-Superfecta carryover as a single price pool.

18. The Tri-Superfecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:
 - a. ~~Upon~~ With written approval from the ~~Department~~ Division as provided in subsection (P)(15) of the Tri-Superfecta rules.
 - b. ~~Upon~~ With written approval from the ~~Department~~ Division when there is a change in the carryover cap or when the Tri-Superfecta is discontinued, ~~or~~
 - c. On the closing performance of the race meet or split meet.
19. If, for any reason, the Tri-Superfecta carryover must be held over to the corresponding Tri-Superfecta pool of a subsequent race meet, the carryover shall be deposited in an interest-bearing account approved by the ~~Department~~ Division. The Tri-Superfecta carryover plus accrued interest shall ~~then~~ be added to the second-half Tri-Superfecta pool of the following race meet on a date and performance ~~so~~ designated by the ~~Department~~ Division.
20. ~~Providing~~ A person shall not provide information to any other person regarding covered wagering combinations, amounts wagered on specific wagering combinations, number of tickets sold, or number of valid exchange tickets ~~is prohibited~~. This ~~shall not prohibit~~ necessary prohibition does not apply to communication between totalisator and pari-mutuel department employees necessary for processing of pool data.
21. The permittee ~~must~~ shall obtain written approval from the ~~Department~~ Division concerning the scheduling of Tri-Superfecta contests, ~~the~~ percentages of the net pool added to the first-half pool and second-half pool, and ~~the~~ amount of any carryover cap to be set ~~on the carryover~~. Any changes to the An approved Tri-Superfecta format ~~require prior~~ shall not be changed without approval from the ~~Department~~ Division.

Q. Twin Superfecta Pools

1. The Twin Superfecta requires ~~selection of a person to select~~ the first four finishers, in their exact order, in each of two designated contests. ~~Each~~ The holder of a winning ticket for the first Twin Superfecta contest ~~must be exchanged~~ shall exchange the winning ticket for a free ticket on the second Twin Superfecta contest ~~in order~~ to remain eligible for the second-half Twin Superfecta pool. ~~Such tickets may be exchanged~~ The holder of a winning ticket shall exchange the ticket

only at an attended ticket windows prior to pari-mutuel window before the second Twin Superfecta contest. ~~Winning~~ The holder of a winning ticket for the first-half Twin Superfecta tickets will receive shall receive both an exchange ticket and a ~~monetary payoff~~ payout. Both of the designated Twin Superfecta contests shall be included in only one Twin Superfecta pool.

2. After wagering closes for the first half of the Twin Superfecta and commissions have been deducted from the pool, the net pool shall ~~then~~ be divided into two separate pools: the first-half Twin Superfecta pool and the second-half Twin Superfecta pool.
3. In the first Twin Superfecta contest only, the permittee shall determine persons who made winning wagers shall be determined using the following precedence order, based ~~upon~~ on the official order of finish for the first Twin Superfecta contest:
 - a. As a single price pool to ~~those~~ persons whose wagering combination finished in correct sequence as the first four ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - d. As a single price pool to ~~those~~ persons whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - e. The entire Twin Superfecta pool ~~shall be~~ is refunded ~~on~~ to persons who made Twin Superfecta wagers for ~~that the first~~ contest and the second ~~half shall be~~ contest is cancelled.
4. If no first-half Twin Superfecta ticket ~~selects~~ holder selected the first four finishers of ~~that the~~ first contest in exact order, an exchange ticket for the second-half Twin Superfecta pool shall not be provided to holders of other winning ticket tickets holders shall not receive any exchange tickets for the second-half Twin Superfecta pool. In such case, and the second-half Twin Superfecta pool shall be retained and added to any existing Twin Superfecta carryover pool.
5. ~~Winning tickets~~ The holder of a winning ticket from the first half of the Twin Superfecta shall ~~be exchanged for tickets~~ exchange the winning ticket for a ticket selecting the first four finishers of the second half of the Twin Superfecta. The second-half Twin Superfecta pool shall be distributed to persons who made winning wagers in the following precedence order, based ~~upon~~ on the official order of finish for the second Twin Superfecta contest:

- a. As a single price pool, including any existing carryover monies, to ~~those persons~~ those persons whose wagering combination finished in correct sequence as the first four betting wagering interests; but if there are no persons who made such tickets wagers, then
 - b. The entire second-half Twin Trifecta pool ~~for that contest shall be~~ is added to any existing carryover monies and retained for the corresponding second-half Twin Superfecta pool of the next performance.
6. If the holder of a winning first-half Twin Superfecta ticket ~~is not presented~~ fails to present the winning ticket for cashing and exchange ~~prior to~~ before the second-half Twin Superfecta contest, the ticket holder may ~~still~~ collect the monetary value associated with the first-half Twin Superfecta pool but forfeits all rights to any distribution of the second-half Twin Trifecta pool.
 7. Coupled entries and mutuel fields shall be prohibited in Twin Superfecta contests.
 8. ~~Should~~ If a betting wagering interest in the first half of the Twin Superfecta ~~be~~ is scratched, ~~those~~ all Twin Superfecta ~~tickets including~~ wagers that included the scratched betting wagering interest shall be refunded.
 9. ~~Should~~ If a betting wagering interest in the second half of the Twin Superfecta ~~be~~ is scratched, an announcement concerning the scratch shall be made and a reasonable amount of time ~~shall be~~ provided for exchange of tickets that include the scratched betting wagering interest. If ~~tickets have not been exchanged prior to~~ the holder of a ticket that includes the scratched wagering interest fails to exchange the ticket before the close of betting wagering for the second Twin Superfecta contest, the ticket holder forfeits all rights to the second-half Twin Superfecta pool.
 10. If, due to a late scratch, the number of betting wagering interests in the second-half of the Twin Superfecta is reduced to fewer than the minimum, all holders of an exchange tickets and ticket or outstanding first-half winning ~~tickets shall be~~ ticket are entitled to the second-half Twin Superfecta pool ~~for that contest~~ as a single price pool but are not entitled to the Twin Superfecta carryover.
 11. If there is a dead heat or multiple dead heats in either the first- or second-half of the Twin Superfecta, all persons who made Twin Superfecta ~~tickets wagers~~ selecting the correct order of finish, counting a betting wagering interest involved in a dead heat as finishing in any dead-heated position, ~~shall be~~ is a winner. In the case of a dead heat occurring in:
 - a. The first half of the Twin Superfecta, the ~~payoff shall be~~ payout is calculated as a profit split.
 - b. The second half of the Twin Superfecta, the ~~payoff shall be~~ payout is calculated as a single price pool.
 12. If either of the Twin Superfecta contests is cancelled ~~prior to~~ before the first Twin Superfecta contest, or the first Twin Superfecta contest is declared “no contest,” the entire Twin Superfecta

pool shall be refunded ~~on~~ to persons who made Twin Superfecta wagers for ~~that~~ the first contest and the second ~~half shall be~~ contest cancelled.

13. If the second-half Twin Superfecta contest is cancelled or declared “no contest,” the net Twin Superfecta pool for the second contest but not the Twin-Superfecta carryover shall be distributed as a single price pool to all holders of an exchange tickets and ticket or an outstanding first-half winning Twin Superfecta tickets shall be entitled to the net Twin Superfecta pool for that contest as a single price pool but not the Twin Superfecta carryover ticket. If there are no such ~~tickets~~ holders of an exchange or outstanding first-half winning ticket, the net Twin Superfecta pool shall be distributed as described in subsection (Q)(3) ~~of the Twin Superfecta rules.~~
14. The Twin Superfecta carryover may be capped at a designated level approved by the ~~Department~~ Division, ~~so that if~~ If, at the close of any performance, the amount in the Twin Superfecta carryover equals or exceeds the designated cap, the Twin Superfecta carryover ~~will be~~ is frozen until it is won or distributed under other provisions of this ~~rule~~ Section. After the second-half Twin Superfecta carryover is frozen, 100% percent of the net Twin Superfecta pool for each individual contest shall be distributed to winners of the first half of the Twin Superfecta pool.
15. ~~A written request for permission to distribute~~ Before designating the Twin Superfecta carryover for distribution on a specific performance, a written request for permission may shall be submitted to the ~~Department~~. ~~The request must contain justification for~~ Division justifying the distribution, ~~an explanation of~~ explaining the benefit to be derived, and specifying the intended date and performance for the distribution.
16. ~~Should~~ If the Twin Superfecta carryover ~~be~~ is designated for distribution on a specified date and performance, the following precedence order shall be used ~~will be followed in determining to~~ determine winning tickets for the second half of the Twin Superfecta after completion of the first half of the Twin Superfecta:
 - a. As a single price pool to ~~those~~ persons whose wagering combination finished in correct sequence as the first four ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then

- d. As a single price pool to ~~those persons~~ whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - e. As a single price pool to holders of valid exchange tickets; ~~or~~
 - f. ~~As a single price pool to holders of~~ outstanding first-half winning tickets.
17. Contrary to subsection (Q)(4) ~~of the Twin Superfecta rules~~, during a performance designated to distribute the Twin Superfecta carryover, exchange tickets will be issued for ~~those~~ wagering combinations selecting the greatest number of ~~betting~~ wagering interests in their correct order of finish for the first-half of the Twin Superfecta. If there are no persons with wagers correctly selecting the first-, second-, third-, and fourth-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first-, second-, and third-place ~~betting~~ wagering interests. If there are no persons with wagers correctly selecting the first-, second-, and third-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first- and second-place ~~betting~~ wagering interests. If there are no persons with wagers correctly selecting the first- and second-place finishers, in their exact order, ~~then~~ exchange tickets ~~shall~~ will be issued for wagering combinations correctly selecting the first-place ~~betting~~ wagering interest only. If ~~there are~~ no ~~wagers~~ person made a wager selecting the first-place ~~betting~~ wagering interest only in the first half of the Twin Superfecta, all first-half tickets ~~will~~ become winners and ~~will~~ receive 100% percent of ~~that~~ the day's net Twin Superfecta pool and any existing Twin Superfecta carryover as a single price pool.
18. The Twin Superfecta carryover shall be designated for distribution on a specified date and performance only under the following circumstances:
- a. ~~Upon~~ With written approval from the ~~Department~~ Division as provided in subsection (Q)(15) ~~of the Twin Superfecta rules.~~
 - b. ~~Upon~~ With written approval from the ~~Department~~ Division when there is a change in the carryover cap or when the Twin Superfecta is discontinued; ~~or~~
 - c. On the closing performance of the race meet or split meet.
19. If, for any reason, the Twin Superfecta carryover must be held over to the corresponding Twin Superfecta pool of a subsequent race meet, the carryover shall be deposited in an interest-bearing account approved by the ~~Department~~ Division. The Twin Superfecta carryover plus accrued interest shall ~~then~~ be added to the second-half Twin Superfecta pool of the following race meet on a date and performance ~~so~~ designated by the ~~Department~~ Division.
20. ~~Providing~~ A person shall not provide information to any other person regarding covered wagering combinations, amounts wagered on specific wagering combinations, number of tickets sold, or

number of valid exchange tickets is prohibited. This shall not prohibit necessary prohibition does not apply to communications between totalisator and pari-mutuel department employees necessary for processing of pool data.

21. The permittee ~~must~~ shall obtain written approval from the ~~Department~~ Division concerning the scheduling of Twin Superfecta contests, ~~the~~ percentages of the net pool added to the first-half pool and second-half pool, and ~~the~~ amount of any carryover cap to be set ~~on the carryover~~. ~~Any changes to the~~ An approved Twin Superfecta format ~~require prior~~ shall not be changed without approval from the ~~Department~~ Division.

R. Grand Slam Pools

1. The Grand Slam requires ~~selection of a person to select~~ the Exacta, Trifecta, and Superfecta, respectively, in three consecutive contests. ~~Each~~ The holder of a winning ticket for the first Grand Slam contest must be exchanged shall exchange the winning ticket for a free ticket on the second Grand Slam contest ~~in order~~ to remain eligible for the second contest share of the Grand Slam pool. ~~Such tickets may be exchanged~~ The holder of a winning ticket in the first contest shall exchange the ticket only at an attended ticket windows prior to pari-mutuel window before the second Grand Slam contest. The holder of a Winning winning Grand Slam tickets ticket on the first race shall receive both an exchange ticket and a monetary payoff payout. Each The holder of a winning ticket for the second Grand Slam contest must be exchanged shall exchange the winning ticket for a free ticket on the third Grand Slam ~~Contest in order~~ contest to remain eligible for the third contest share of the Grand Slam pool. ~~Such tickets must be exchanged~~ The holder of a winning ticket in the second contest shall exchange the ticket only at an attended ticket windows prior to pari-mutuel window before the third Grand Slam contest. Winning tickets The holder of a winning ticket on the second race shall receive both an exchange ticket and a monetary payoff payout. The three designated Grand Slam contests shall be included in only one Grand Slam pool.
2. After wagering closes for the first contest of the Grand Slam and commissions have been deducted from the pool, the net pool shall be divided into three separate pools: the first contest pool (25%), the second contest pool (25%), and the third contest pool (50%).
3. In the first Grand Slam contest only, persons who made winning wagers shall be determined using the following ~~precedence~~ order, based ~~upon~~ on the official order of finish for the first Grand Slam contest:
 - a. If contestants of a coupled entry or mutuel field finish as the first two finishers, as a single price pool to ~~those~~ persons selecting the coupled entry or mutuel field combined with the next separate ~~betting~~ wagering interest in the official order of finish; otherwise,

- b. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a profit split to ~~those persons~~ whose wagering combination included either the first-place ~~betting~~ wagering interest to finish first or the second-place ~~betting~~ wagering interest to finish second; but if there are no persons with such wagers on one of ~~those~~ the two finishers, then
 - d. As a single price pool to ~~those persons~~ whose combination included the one covered ~~betting~~ wagering interest to finish first or second.
4. ~~Winning tickets~~ The holder of a winning ticket from the first contest of the Grand Slam shall ~~be exchanged for tickets~~ exchange the winning ticket for a ticket selecting the first three finishers of the second contest of the Grand Slam. The second contest pool shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish for the second Grand Slam contest:
- a. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. The entire pool for the second and third contests ~~shall be~~ is added to any existing carryover monies and retained for the third contest pool of the next performance.
5. ~~Winning tickets~~ The holder of a winning ticket for the second contest of the Grand Slam shall ~~be exchanged for tickets~~ exchange the winning ticket for a ticket selecting the first four finishers of the third contest of the Grand Slam. The third contest pool and any existing carryover monies shall be distributed to persons who made winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish for the third Grand Slam contest:
- a. As a single price pool to ~~those persons~~ whose wagering combination finished in correct sequence as the first four ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. The entire pool for the third contest ~~shall be~~ is added to any existing carryover monies and retained for the ~~corresponding~~ third contest pool of the next performance.
6. If the holder of a winning Grand Slam ticket ~~is not presented~~ fails to present the winning ticket for cashing and exchange ~~prior to~~ before the next Grand Slam contest, the ticket holder may ~~still~~ collect the monetary value associated with the corresponding pool but forfeits all rights to any distribution of subsequent Grand Slam pools.
7. Coupled entries and mutuel fields shall be prohibited in the second and third races of the Grand Slam.

8. ~~Should~~ If a betting wagering interest in the first contest of the Grand Slam ~~be is~~ scratched, ~~those~~ all Grand Slam wagers ~~including that included~~ the scratched ~~betting wagering~~ interest shall be refunded.
9. ~~Should~~ If a betting wagering interest in the second or third contests of the Grand Slam ~~be is~~ scratched, an announcement concerning the scratch shall be made and a reasonable amount of time ~~shall be~~ provided for exchange of tickets that include the scratched ~~betting wagering~~ interest. ~~If tickets have not been exchanged prior to~~ the holder of a ticket that includes the scratched wagering interest fails to exchange the ticket before the close of betting wagering for the corresponding contest, the ticket holder forfeits all rights to the remainder of the Grand Slam pool.
10. If there is a dead heat or multiple dead heats in any of the contests of the Grand Slam, all persons who made Grand Slam wagers selecting the correct order of finish, counting a ~~betting wagering~~ interest involved in a dead heat as finishing in any dead-heated position, ~~shall be~~ are winners. Contrary to the usual practice, the aggregate number of winning tickets shall be divided into the net pool and ~~paid the same price~~ amount paid to each ticket.
11. If any of the Grand Slam contests are cancelled ~~prior to~~ before the first Grand Slam contest, or if the first Grand Slam contest is declared “no contest,” the entire Grand Slam pool shall be refunded ~~on to~~ persons who made a Grand Slam wagers wager for that the first Grand Slam contest and the remaining Grand Slam contests ~~shall be~~ cancelled. Any existing carryover monies ~~pursuant to~~ under subsections (R)(4) and (5) ~~of this rule~~ shall carryover to the next consecutive racing program of ~~that meeting the race meet.~~
12. If the second contest of the Grand Slam is canceled or declared “no contest,” or if ~~less~~ fewer than three contestants finish, the second contest pool of the Grand Slam shall be distributed equally among holders of ~~second-contest~~ second-contest Grand Slam exchange tickets; and the third-contest pool of the Grand Slam shall carryover to the third-contest pool of the next performance.
13. If the third contest of the Grand Slam is canceled or declared “no contest” before the second contest has been made official but after the first contest (~~pursuant to subsection (R)(11) of this rule~~), ~~that racing day’s~~ is official, the third-contest pool shall be distributed equally among holders of second-contest Grand Slam exchange tickets. If the third contest of the Grand Slam is cancelled or declared “no contest” after the second contest has been made official, ~~that racing day’s third contest shall be distributed~~ the third-contest pool shall be distributed equally among holders of the third-contest Grand Slam exchange tickets. ~~In such instance, no~~ No carryover pool ~~would~~ will be generated ~~from that racing day.~~

14. If no distribution is made ~~pursuant to~~ under subsection (R)(5)(a) ~~of this rule~~, on the last day of the race ~~meeting meet~~, the permittee shall distribute the ~~third-race~~ third-contest pool and any existing carryover monies equally among the holders of third-contest Grand Slam exchange tickets selecting the finishing contestants in the third ~~race~~ contest. The net pool shall be distributed to persons making winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
- a. As a single price pool to ~~those~~ persons whose wagering combination finished in correct sequence as the first three ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - c. As a single price pool to ~~those~~ persons whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - d. As a single price pool to all holders of ~~third-race~~ third-contest Grand Slam exchange tickets.
15. If ~~there were~~ no person made a winning ~~wagers~~ wager in the second ~~race~~ contest of the Grand Slam on the last day of the race ~~meeting meet~~, the permittee shall distribute the ~~second-race~~ second-contest pool and any existing carryover monies equally among the holders of second-contest exchange tickets selecting the finishing contestants in the second ~~race~~ contest. The net pool shall be distributed to persons making winning wagers in the following ~~precedence~~ order, based ~~upon~~ on the official order of finish:
- a. As a single price pool to ~~those~~ persons whose wagering combination included, in correct sequence, the first two ~~betting~~ wagering interests; but if there are no persons with such wagers, then
 - b. As a single price pool to ~~those~~ persons whose wagering combination correctly selected the first-place ~~betting~~ wagering interest only; but if there are no persons with such wagers, then
 - c. As a single price pool to all holders of ~~second-race~~ second-contest Grand Slam exchange tickets.
16. If ~~there were~~ no person made a winning ~~wagers~~ wager in the first ~~race~~ contest of the Grand Slam on the last day of the race ~~meeting meet~~, the permittee shall distribute the ~~first-race~~ first-contest pool and any existing carryover monies as a profit split to the holders of first-contest tickets selecting either the first-place finisher to finish first or the second-place finisher to finish second. If there ~~were~~ is still no person who made a winning ~~wagers~~ wager in the first ~~race~~ contest of the Grand Slam, ~~such~~ all monies shall be distributed to all ticket holders.

17. Grand Slam tickets shall be issued in multiples of \$1.00.