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Chapter 47

HISTORICAL HORSE RACING

11VAC10-47-10. Definitions.

The following definitions and interpretations, when used in this Chapter, shall have the following meaning unless otherwise indicated or the text otherwise requires:

“Act” means Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 of the Code of Virginia.

“Applicant” means an individual who has submitted an application to obtain a license to offer pari-mutuel wagering on historical horse racing from the commission.

“Commission” means the Virginia Racing Commission.

“Historical horse racing” means a form of horse racing that creates pari-mutuel pools from wagers placed on previously conducted horse races and is hosted at (i) a racetrack owned or operated by a significant infrastructure limited licensee or (ii) a satellite facility that is owned or operated by (a) a significant infrastructure limited licensee or (b) the nonprofit industry stakeholder organization recognized by the commission and licensed to own or operate such satellite facility.

“Licensee” includes any person holding an owner’s or operator’s license under Article 2 (§ 59.1-375 et seq.) of Chapter 29 of the Code of Virginia who is granted a license by the commission under this Chapter 47 to conduct pari-mutuel wagering on historical horse racing.

“Satellite facility” means all areas of the property at which simulcast horse racing is received for the purposes of pari-mutuel wagering, and any additional areas designated by the commission for conducting pari-mutuel wagering on historical horse racing.

11VAC10-47-20. Generally.

The commission is authorized to issue licenses to (i) holders of a significant infrastructure limited license or (ii) holders of a satellite facility license to conduct pari-mutuel wagering on historical horse racing for the promotion, sustenance and growth of a native industry, in a manner consistent with the health, safety and welfare of the people. Pari-mutuel wagering on historical horse racing shall be conducted so as to maintain horse racing in the Commonwealth of Virginia of the highest quality and free of any corrupt, incompetent, dishonest or unprincipled practices and to maintain in horse racing complete honesty and integrity.

11VAC10-47-30. Observance of regulations.

A licensee shall be charged with the observance and enforcement of the act and the regulations of the commission.

11VAC10-47-40. Requirements for wagering on historical horse racing.

A. In accordance with the act, wagering on a historical horse race shall only be conducted by:

1. A significant infrastructure limited licensee; or
2. A satellite facility licensee.

B. Wagering on historical horse racing may only take place at a licensed significant infrastructure facility or a licensed satellite facility.

C. A licensee may conduct wagering on historical horse races of any horse breed regardless of the type of breed that primarily races in live meets conducted by the licensee.

D. The minimum wager to be accepted by any licensed licensee on the outcome of a historical horse race or races shall be ten (10) cents. The minimum payout on any wager shall not be less than the amount wagered.

E. Any wager placed on an historical horse race is a multiple wager.

46 F. The terminal may display the wager and its outcome as part of an entertaining display or game,
47 provided the wager functions according to the pari-mutuel wagering pool specifications provided to and
48 approved by the commission. A licensee may not offer a new display or game without prior approval of
49 the commission as set forth in this Chapter.

50 G. All wagering on a historical horse race or races shall incorporate the following elements:

51 1. A patron may only wager on a historical horse race or races on a terminal approved by the
52 commission;

53 2. A licensee shall at all times maintain at least two (2) terminals offering wagering on historical
54 horse races for each pool and minimum wager denomination;

55 3. Prior to the patron making his or her wager selections, the terminal shall not display any
56 information that would allow the patron to identify the historical race or races on which he or she
57 is wagering, including the location of the race or races, the date on which the race or races were
58 run, the names of the horses in the race or races, or the names of the jockeys that rode the horses
59 in the race or races;

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

65 5. After a patron finalizes his or her wager selections, the terminal shall display the official
66 results of the race or races and a replay of the race or races, or a portion thereof, whether by
67 digital, animated or graphical depiction or by way of a video recording. The identity of the race
68 or races shall be revealed to the patron after the patron has placed his or her wager.

69 **11VAC10-47-50. Location and hours of operation of terminals used for wagering on historical**
70 **horse racing.**

71 A. Pari-mutuel wagering on historical horse races shall only be permitted in designated areas which
72 have the prior written approval of the commission and which are on the premises of a significant
73 infrastructure limited licensee or satellite facility licensee.

74 B. A licensee shall request permission from the commission to alter the physical layout of the area
75 permitted for historical horse racing.

76 C. Designated areas shall be established in such a way as to control access by the general public and
77 prevent entry by any patron who is under eighteen (18) years of age or is otherwise not permitted to place
78 wagers.

79 D. The designated area shall provide terminals that are accessible to handicapped persons.

80 E. A licensee may conduct pari-mutuel wagering on historical horse races on days and hours
81 approved by the commission.

82 **11VAC10-47-60. Payouts from pari-mutuel pools generated by wagering on historical horse racing.**

83 A. A wager on an historical horse race or races, less deductions permitted by the act, shall be placed
84 in pari-mutuel pools approved by the commission.

85 B. A licensee shall provide guaranteed funding for all historical horse race pools offered by the
86 licensee. This guarantee shall be in the form of a letter of credit, bond with surety, or other instrument of
87 financial security in an amount and form approved by the commission sufficient to cover average
88 outstanding winning tickets together with any indebtedness incurred by the licensee to the
89 Commonwealth.

90 C. A licensee offering wagering on an historical horse race shall maintain pari-mutuel pools for each
91 wager in a manner and method approved by the commission. The pari-mutuel pool(s) shall be maintained
92 and funded in a method approved by the commission to ensure that the amount available in the pari-

93 mutuel pools at any given time is sufficient to ensure that a patron will be paid the minimum amount
94 required on a winning wager.

95 D. All prizes awarded from a historical horse race wager shall be awarded from an existing pari-
96 mutuel pool. The money in the pool shall only consist of money wagered by patrons or allocated to the
97 pari-mutuel pool. Wagers made on a historical horse race shall not constitute a wager against the
98 licensee. Wagers shall not be conducted in a manner in which the amount retained by the licensee is
99 dependent upon the outcome of any particular race or the success of any particular wager.

100 E. The rules for the mathematical model, configuration of pools, and pool payout methodology shall
101 be described in game specification documentation which shall be provided to the commission.

102 F. Controls shall be in place to ensure that depletion of a pari-mutuel pool(s) below an amount
103 required to pay all winning tickets shall be detected at the time of depletion and depletion shall result in
104 the automatic suspension of any wagering activity related to that pool. The commission shall be notified
105 immediately in the event of the suspension of wagering activity of any historical horse racing pool.

106 **11VAC10-47-70. Commission approval of historical horse racing games and displays.**

107 A. A licensee shall submit a written request to the commission for permission to offer a multiple
108 wager on a historical horse race or races. The written request shall include a detailed description of the
109 rules that apply to the pari-mutuel wager, the method of calculating payouts, and the method, by which
110 money will be allocated to the pari-mutuel pool(s), if applicable. This documentation shall fully and
111 accurately describe:

- 112 1. The method of determining a game outcome;
- 113 2. Available wagering denominations;
- 114 3. Minimum wager amount;
- 115 4. Maximum wager amount;
- 116 5. The allocation of wagers into the pari-mutuel pool(s);
- 117 6. The amount of takeout for each wager;
- 118 7. The method of calculating winning payouts and breakage, where applicable;
- 119 8. Payout calculations set forth in sufficient detail to audit a payout through manual calculation;
- 120 9. The minimum payouts and the method of guaranteeing minimum payouts;
- 121 10. The method of mapping payouts to an entertaining display on the wagering terminal; and
- 122 11. Any other information as may be necessary for third-party testing of the game.

123 B. For wagering on historical horse racing, approximate odds or payouts for each pool shall be
124 available on each respective terminal for viewing by patrons.

125 C. Each licensee shall post, in conspicuous places in the designated area, a general explanation of
126 pari-mutuel wagering offered on historical horse races and shall post an explanation of each betting pool
127 offered in the terminal menus. The explanation shall be submitted to the commission for approval prior to
128 its posting.

129 **11VAC10-47-80. Equipment required for pari-mutuel wagering on historical horse races.**

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

133 B. The terminal shall:

- 134 1. Protect against electrostatic interference by being grounded so that static discharge energy
135 shall not permanently damage or inhibit the normal operation of the electronics or other
136 components within the wagering terminal. In the event that a temporary disruption of the normal
137 operation of a wagering terminal occurs as a result of an electro-static discharge, the wagering
138 terminal shall have the capacity to recover and complete any interrupted wager without loss or

- 139 corruption of any control or critical data information. Each terminal shall be tested to a
140 maximum discharge severity level of 27KV air discharge;
- 141 2. Not be adversely affected, other than during resets, by surges or dips of up to 20% of the
142 supply voltage. If a wagering terminal is designed such that a surge or dip of up to 20% of the
143 supply voltage causes a reset, the terminal shall also be designed so that a surge or dip shall not
144 result in damage to the equipment or loss or corruption of data. Upon reset, the game shall return
145 to its previous state or return to a game completion state provided the game history and all credit
146 and accounting meters comprehend a completed game;
- 147 3. Have an on/off switch that controls the electrical current installed in a readily accessible
148 location within the interior of the terminal so that power cannot be disconnected from outside of
149 the terminal using the on/off switch. The on/off positions of the switch shall be labeled;
- 150 4. Be designed so that power and data cables into and out of the terminal can be routed so that
151 they are not accessible to the general public. Security-related wires and cables that are routed
152 into a logic area shall be securely fastened within the interior of the terminal;
- 153 5. Have an identification badge affixed to the exterior of the terminal by the manufacturer that is
154 not removable without leaving evidence of tampering. This badge shall include the following
155 information:
- 156 a. The name of the manufacturer;
 - 157 b. A unique serial number;
 - 158 c. The terminal model number; and
 - 159 d. The date of manufacture;
- 160 6. Have an external tower light located conspicuously on the top of the terminal that
161 automatically illuminates when a patron has won an amount that the terminal cannot
162 automatically pay or when an error condition has occurred;
- 163 7. Be constructed of materials that are designed to allow only authorized access to the inside of
164 the terminal. The terminal and its locks, doors, and associated hinges shall be capable of
165 withstanding determined and unauthorized efforts to gain access to the inside of the terminal and
166 shall be designed to leave evidence of tampering if such an entry is made;
- 167 8. Have seals between the terminal and the doors of a locked area that are designed to resist the
168 use of tools or other objects used to breach the locked area by physical force;
- 169 9. Have external doors that shall be locked and monitored by door access sensors, which when
170 opened shall cause game wagering activity to cease, disable all currency acceptance, enter an
171 error condition, and which at a minimum shall illuminate the tower light and send the error
172 condition to the on-line system. The requirements of this subparagraph do not apply to the drop
173 box door;
- 174 10. Have external doors designed so that it shall not be possible to insert a device into the
175 terminal that will disable a "door open" sensor without leaving evidence of tampering when the
176 door of the terminal is shut;
- 177 11. Have a sensor system which shall provide notification that an external door is open when the
178 door is moved from its fully closed and locked position, provided power is supplied to the device;
- 179 12. Have a logic area, which is a separately locked cabinet area with its own monitored, locked
180 door, or other monitored, locked covering, which houses electronic components that have the
181 potential to significantly influence the operation of the terminal. There may be more than one (1)
182 such logic area in a terminal. The electronic components housed in the logic area(s) shall
183 include:
- 184 a. A central processing unit and any program storage device that contains software that
185 may affect the integrity of wagering including the game accounting, system

186 communication, and peripheral firmware devices involved in, or which significantly
187 influence, the operation and calculation of game play, game display, game result
188 determination, or game accounting, revenue, or security;

189 b. Communication controller electronics and components housing the communication
190 program storage device; and

191 c. The non-volatile memory back-up device which, if located in the logic area, shall be
192 kept within a locked logic area;

193 13. Have a currency storage area that is separately keyed and fitted with sensors that indicate
194 "door open/close" or "stacker receptacle removed," provided power is supplied to the device.
195 Access to the currency storage area shall be secured by two (2) locks before the currency can be
196 removed. The locks shall be located on the relevant outer door and on at least one other door.

197 C. Critical memory storage shall be maintained by a methodology that enables errors to be
198 identified. This methodology shall include signatures, checksums, partial checksums, multiple copies,
199 timestamps, effective use of validity codes, or any combination of these methods.

200 D. Comprehensive checks of critical memory shall be made following game initiation, but prior to
201 display of game outcome to the patron.

202 E. An unrecoverable corruption of critical memory shall result in an error state. The memory error
203 shall not be cleared automatically and shall cause the terminal to cease further functioning. The critical
204 memory error shall also cause any communication external to the terminal to immediately cease. An
205 unrecoverable critical memory error shall require restoration or clearing of software state by an authorized
206 person.

207 F. If critical memory is maintained in non-volatile memory on the terminal and not by the server
208 based system, then:

209 1. The terminal shall have the ability to retain data for all critical memory as defined herein and
210 shall be capable of maintaining the accuracy of the data for thirty (30) days after power is
211 discontinued from the terminal;

212 2. For rechargeable battery types only, if the battery back-up is used as an off-chip battery
213 source, it shall re-charge itself to its full potential in a maximum of twenty-four (24) hours. The
214 shelf life of the battery shall be at least five (5) years;

215 3. Non-volatile memory that uses an off-chip back-up power source to retain its contents when
216 the main power is switched off shall have a detection system which will provide a method for
217 software to interpret and act upon a low battery condition before the battery reaches a level where
218 it is no longer capable of maintaining the memory in question. Clearing non-volatile memory
219 shall require access to the locked logic area or other secure method provided that the method is
220 approved by the commission; and

221 4. Following the initiation of a non-volatile memory reset procedure, the game program shall
222 execute a routine which initializes all bits in critical non-volatile memory to the default state. All
223 memory locations intended to be cleared as per the non-volatile memory clear process shall be
224 fully reset in all cases.

225 G. Critical memory of a server-based game may be maintained by the server, terminal, or some
226 combination thereof. The critical memory related to each terminal shall:

227 1. Be kept independent to all other wagering terminals. If corruption occurs in any single
228 terminal's critical memory no other terminal shall be effected by the terminal's corrupt memory
229 state; and

230 2. Be clearly identified as to which physical terminal the critical memory represents, through
231 unique identification such as serial number or other unique terminal hardware identifier.

- 232 H. All terminals shall be equipped with a device, mechanism, or method for retaining the value of
233 the meter information specified in Section 100 of this subchapter in the event of a loss of power to the
234 terminal. Storage and retrieval of the accounting meters from a server is an acceptable method of
235 retrieval.
- 236 I. Configuration setting changes shall not cause an obstruction to the meters.
- 237 J. If the terminal is in a test, diagnostic or demonstration mode, any test that incorporates credits
238 entering or leaving the terminal shall be completed prior to resumption of normal operation. In addition,
239 there shall not be any mode other than normal wagering operation that debits or credits any of the
240 electronic meters. Any wagering credits on the terminal that were accrued during the test, diagnostic or
241 demonstration mode shall be cleared before the mode is exited. Specific meters are permissible for these
242 types of modes provided the meters are clearly identified.
- 243 K. Terminals shall not allow any information contained in a communication to or from the online
244 monitoring system that is intended to be protected, including validation information, secure PINs,
245 credentials, or secure seeds and keys, to be viewable through any display mechanism supported by the
246 terminal.
- 247 L. All program storage devices shall:
- 248 1. Be housed within a fully enclosed and locked logic compartment;
 - 249 2. Validate themselves during each processor reset; and
 - 250 3. Validate themselves the first time they are used.
- 251 M. Program storage devices which do not have the ability to be modified while installed in the
252 terminal during normal operation, shall be clearly marked with information to identify the software and
253 revision level of the information stored in the devices.
- 254 N. Terminals shall have the ability to allow for an independent integrity check of all software that
255 may affect the integrity of the game. The integrity check shall be by a third-party device or third-party
256 software approved by the commission. This third-party device or third-party software may be embedded
257 within the game software, utilize an interface port to communicate with the terminal, or require the
258 removal of terminal media for external verification. Licensee shall pay the costs of such third-party
259 review and testing, and the reports of the same shall be delivered to the licensee and the commission.
- 260 O. Winning pari-mutuel wagers shall be processed according to Internal Revenue Service reporting
261 requirements for the taxation of pari-mutuel horse racing. If a winning amount is in excess of the
262 thresholds established in the Internal Revenue Service reporting requirements, the terminal shall cease
263 operation and require attendant interaction to proceed.
- 264 P. Terminals shall be capable of detecting and displaying the following errors:
- 265 1. Open door conditions;
 - 266 2. Non-Volatile Memory errors;
 - 267 3. Low non-volatile memory battery for batteries external to the non-volatile memory itself for
268 low power source;
 - 269 4. Program error or authentication mismatch;
 - 270 5. Display device errors; and
 - 271 6. The identification of an invalid bill or voucher.
- 272 Q. Detection of terminal error conditions must result in actions to protect the integrity of the game.
273 Following detection of an error condition:
- 274 1. The terminal shall secure itself and it shall:
 - 275 a. Cause the terminal to cease play and require attendant intervention prior to returning
276 to normal play;
 - 277 b. Cause the terminal to display an appropriate error message;

- 278 c. Disable bill and voucher acceptance;
- 279 d. Either sound an alarm, illuminate the tower light, display the error on screen, or any
- 280 combination of the three;
- 281 e. Be communicated to an on-line monitoring and control system;
- 282 f. Be displayed on a terminal; and
- 283 g. Cause the terminal to remain in error mode if the terminal is powered down with an
- 284 unresolved error condition, unless power down is used as a part of the error reset
- 285 procedure.
- 286 2. Upon resolution of an error condition, a terminal may return to a wager completion state
- 287 provided the game history, wagering credits, and other meters display the completed wager
- 288 properly.
- 289 R. Terminals shall not be adversely affected by the simultaneous or sequential activation of various
- 290 terminal inputs and outputs.
- 291 S. Test, diagnostic, or demonstration modes on a terminal shall:
- 292 1. Be entered only from an attendant following appropriate instructions;
- 293 2. Not be accessible to a patron; and
- 294 3. Be indicated on the terminal via an appropriate message.
- 295 T. Upon exiting from test, diagnostic, or demonstration mode, a terminal shall return to its previous
- 296 state.
- 297 U. Video monitor touch screens on terminals shall:
- 298 1. Be accurate within one (1) mm of the center of a physical input;
- 299 2. Be able to be calibrated without access to the terminal cabinet other than opening the main
- 300 door, and once calibrated shall maintain accuracy for at least the video touch screen
- 301 manufacturer's recommended maintenance period; and
- 302 3. Have no hidden or undocumented buttons or touch points anywhere on the screen that affect
- 303 wagering or that impact the outcome of the game, except as provided by the game rules.
- 304 V. Paper currency acceptors used in a terminal shall:
- 305 1. Be electronically based;
- 306 2. Detect the entry of bills or vouchers inserted into the paper currency acceptor, and provide a
- 307 method to enable the terminal software to interpret and act appropriately upon a valid or invalid
- 308 input;
- 309 3. Be configured to ensure the acceptance of only valid bills or vouchers and reject all other
- 310 items;
- 311 4. Return to the patron all rejected bills or vouchers, and any other item inserted into the
- 312 acceptor;
- 313 5. Be constructed in a manner that protects against vandalism, abuse, or fraudulent activity;
- 314 6. Register the actual monetary value or appropriate number of wagering credits received for the
- 315 denomination used on the patron's credit meter for each valid bill or voucher;
- 316 7. Register wagering credits only when the bill or other note has passed the point where it is
- 317 accepted or stacked and the acceptor has sent an "irrevocably stacked" message to the terminal;
- 318 8. Be designed to prevent the use of fraudulent crediting, the insertion of foreign objects and
- 319 any other fraudulent technique;
- 320 9. Implement a method or methods of detecting counterfeit bills;
- 321 10. Only accept bills or vouchers when the terminal is enabled for play;

- 322 11. Have the capability of detecting and displaying any supported error conditions;
323 12. Shall communicate with the terminal using a bi-directional protocol;
324 13. Be located in a locked area of the terminal which requires the opening of the main door for
325 access. The paper currency acceptor shall not be located in the logic area. Only the bill or
326 voucher insertion area shall be accessible by the patron;
327 14. Have a secure stacker that shall:
328 a. Deposit into the stacker all accepted items; and
329 b. Be attached to the terminal in such a manner that it cannot be easily removed by
330 physical force; and
331 c. Have a separate keyed lock to access the stacker area. The keyed lock shall be
332 separate from the main door, and a separate keyed lock shall be required to remove the
333 bills from the stacker.
334 15. Have a bill validator that shall:
335 a. Retain in its memory and have the ability to display the information required of the
336 last twenty-five (25) items accepted by the bill validator;
337 b. Have a recall log that may be combined or maintained separately by item type. If
338 combined, the type of item accepted shall be recorded with the respective timestamp; and
339 c. Give proper credit or return the bill or note if power failure occurs during acceptance
340 of a bill or note.
- 341 W. Available wagering credit may be collected from the terminal by the patron at any time other than
342 during:
343 1. A game being wagered;
344 2. Audit mode;
345 3. Test mode;
346 4. A credit meter or win meter increment; or
347 5. An error condition.
- 348 X. Each terminal shall be equipped with a printer that:
349 1. Is used to make payments to the patron by issuing a printed voucher. The terminal shall
350 transmit the following data to an on-line system that records the following information regarding
351 each payout ticket or voucher printed:
352 a. The value of credits in local monetary units in numerical form;
353 b. The time of day the ticket or voucher was printed in twenty-four (24) hour format
354 showing hours and minutes;
355 c. The date, in format approved by the commission, indicating the day, month, and year
356 that the ticket or voucher was issued;
357 d. The terminal number; and
358 e. A unique ticket or voucher validation number.
359 2. Prints only one (1) copy to the patron and retains information on the last twenty-five (25)
360 printed vouchers;
361 3. Is housed in a locked area of the terminal but shall not be located within the logic area or the
362 drop box; and
363 4. Allows control program software to interpret and act upon all error conditions.
- 364 Y. Terminals shall be capable of displaying wager recall, which shall:
365 1. Include the last fifty (50) wagers on the terminal;

- 366 2. Be retrievable on the terminal via an external key-switch or other secure method not available
367 to the patron;
- 368 3. Provide all information required to fully reconstruct the wagers, including:
369 a. The initial credits or ending credits associated with the wager,
370 b. Credits wagered;
371 c. Credits won;
372 d. Entertaining game display symbol combinations and credits paid whether the
373 outcome resulted in a win or a loss;
374 e. Be represented in a graphical or text format;
375 f. Include the final wager outcome, including all patron choices and all bonus features;
376 and
377 g. May display values as currency in place of wagering credits.
- 378 Z. Server-stored information shall be backed up no less than once per day to an off-site storage
379 facility controlled by the licensee. Off-site storage may include storage through a cloud service provider
380 if approved by the commission. The server and off-site backup storage shall be accessible to the
381 commission and subject to third-party checks and validation as provided in Subparagraph N.
- 382 **11VAC10-47-90. Requirements for tickets or vouchers used in historical horse racing.**
- 383 A. Terminals shall not dispense currency. Payment to patrons shall only be accomplished by means
384 of a printed voucher.
- 385 B. All vouchers shall:
- 386 1. Contain the following printed information at a minimum:
- 387 a. Licensee name and site identifier, which may be contained on the ticket stock itself;
388 b. Terminal number or cashier booth location;
389 c. Date and Time stated in a 24-hour format according to the local time zone;
390 d. Alpha and numeric dollar amount;
391 e. Ticket or voucher sequence number;
392 f. Validation number;
393 g. Bar code or any machine-readable code representing the validation number;
394 h. Type of transaction or other method of differentiating voucher types. If the voucher
395 is a non-cashable item, the ticket shall explicitly express that it has "no cash value"; and
396 i. The expiration period from date of issue, or date and time the ticket/voucher will
397 expire in a 24-hour format according to the local time zone. This information may be
398 contained on the ticket stock itself. Payment on valid pari-mutuel tickets, including
399 tickets where refunds are ordered, shall be made only upon presentation and surrender of
400 valid pari-mutuel tickets to the licensee within 180 days after the purchase of the ticket.
401 Failure to present any valid pari-mutuel ticket to the licensee within 180 days after the
402 purchase of the ticket shall constitute a waiver of the right to payment.
- 403 C. A system approved by the commission shall be used to validate the payout ticket or voucher. The
404 ticket or voucher information on the central system shall be retained for two calendar years after voucher
405 is valid at that location.
- 406 D. Payment by voucher as a method of credit redemption shall only be permissible when the
407 terminal is linked to a computerized voucher validation system which is approved by the commission.
- 408 E. The validation system must be able to identify a duplicate ticket or voucher to prevent fraud.
- 409 F. Terminals must meet the following minimum requirements to incorporate the ability to issue
410 offline vouchers after a loss of communication has been identified by a wagering terminal:

- 411 1. The wagering terminal shall not issue more offline vouchers than it has the ability to retain
412 and display in the wagering terminal maintained voucher-out log;
- 413 2. The wagering terminal shall not request validation numbers used in the issuance of vouchers
414 until all outstanding offline voucher information has been fully communicated to the voucher
415 validation system;
- 416 3. The wagering terminal shall request a new set of validation numbers used in the issuance of
417 online/offline vouchers if the current list of validation numbers has the possibility of being
418 compromised which shall include:
- 419 a. After power has been recycled, or
420 b. Upon exit of a main door condition.
- 421 4. Validation numbers must always be masked when viewable through any display supported by
422 the wagering terminal such that only the last 4 digits of the validation number are visible.
- 423 G. Vouchers may be inserted in any terminal participating in the validation system providing that no
424 credits are issued to the terminal prior to confirmation of voucher validity.
- 425 H. The offline voucher redemption may be validated as an internal control process at the specific
426 terminal that issued the voucher. A manual handpay may be conducted for the offline voucher value.
- 427 **11VAC10-47-100. Accounting and Occurrence Meter Requirements.**
- 428 A. The required accounting meters are as follows:
- 429 1. Coin In, which accumulates the total value of all wagers, whether the wagered amount results
430 from the insertion of bills or vouchers or deduction from a credit meter. This meter shall:
- 431 a. Not include subsequent wagers of immediate winnings accumulated during game
432 wager sequence such as those acquired from intermediate interactive features of the
433 entertaining display; and
- 434 b. Provide the coin in information, on a per wagering pool basis, to calculate a weighted
435 average theoretical payback percentage;
- 436 2. Coin Out, which accumulates the total value of all amounts directly paid by the terminal as a
437 result of winning wagers, whether the payback is made to a credit meter or any other means;
- 438 3. Attendant Paid Jackpots, which accumulates the total value of credits paid by an attendant
439 resulting from a single wager, the amount of which is not capable of being paid by the wagering
440 terminal itself;
- 441 4. Attendant Paid Cancelled Credits, which accumulates the total value paid by an attendant
442 resulting from a patron-initiated cash-out that exceeds the physical or configured capability of the
443 terminal to make the proper payout amount;
- 444 5. Bill In, which accumulates the total value of currency accepted. Each wagering terminal
445 shall have a specific occurrence meter for each denomination of currency accepted that records
446 the number of bills accepted of each denomination;
- 447 6. Voucher In, which accumulates the total value of all wagering terminal vouchers accepted by
448 the device;
- 449 7. Voucher Out, which accumulates the total value of all wagering terminal vouchers issued by
450 the device;
- 451 8. Non-Cashable Electronic Promotion In, which accumulates the total value of non-cashable
452 credits from vouchers accepted by the terminal;
- 453 9. Cashable Electronic Promotion In, which accumulates the total value of cashable credits from
454 vouchers accepted by the terminal;
- 455 10. Non-Cashable Electronic Promotion Out, which accumulates the total value of non-cashable
456 credits issued to vouchers by the device; and

- 457 11. Cashable Electronic Promotion Out, which accumulates the total value of cashable credits
458 issued to vouchers by the device.
- 459 B. Additional required occurrence meters are as follows:
- 460 1. Cashable Promotional Credit Wagered, which accumulates the total value of promotional
461 cashable credits that are wagered;
- 462 2. Games Wagered, which accumulates the number of wagers placed; and
- 463 3. Games Won, which accumulates the number of wagers resulting in a win to the patron.
- 464 C. Electronic accounting meters shall maintain and calculate data to at least ten (10) digits in length.
- 465 D. Electronic accounting meters shall be maintained in credit units equal to the denomination or in
466 dollars and cents.
- 467 E. If the electronic accounting meter is maintained in dollars and cents, eight (8) digits must be used
468 for the dollar amount and two (2) digits must be used for the cents amount.
- 469 F. Devices configured for multi-denomination wagering shall display the units in dollars and cents
470 at all times.
- 471 G. Any time the meter exceeds ten (10) digits or after 9,999,999,999 has been exceeded, the meter
472 must roll over to zero.
- 473 H. Occurrence meters shall be at least eight (8) digits in length but are not required to automatically
474 roll over.
- 475 I. Meters shall be identified so that they can be clearly understood in accordance with their function.
- 476 J. A wagering terminal shall maintain sufficient electronic metering to be able to display the
477 following:
- 478 1. The total monetary value of all items accepted on the terminal;
- 479 2. The total number of all items accepted on the terminal;
- 480 3. For bills accepted, the number of bills for each bill denomination; and
- 481 4. For all other notes accepted, the number of notes accepted by note amount.
- 482 K. Meters can be on the server instead of the terminal.

483 **11VAC10-47-110. Historical horse race specifications and selection requirements**

- 484 A. The outcome of any historical horse race wager shall be derived from the result of one or more
485 historical horse races.
- 486 B. All historical horse races must be chosen at random from a database of actual historical horse
487 races. All races in the database shall have a valid historical horse race result with details recorded at the
488 same level as other races in the database, and shall include:
- 489 1. Horse names;
- 490 2. Race location;
- 491 3. Race date; and
- 492 4. Jockey name.

- 493 C. In the case where a Random Number Generator (RNG) is used to select the historical horse races
494 for a wager, all possible races in the database shall be available for selection.

495 **11VAC10-47-120. Wagering terminal historical race display.**

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

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

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

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

506 E. All wagering terminals shall display the following information to the patron at all times the
507 wagering terminal is available for patron wager input:

- 508 1. The patron's current credit balance in currency or credits;
- 509 2. The current bet amount;
- 510 3. The amount won for the last completed game until the next game starts or betting options are
511 modified;
- 512 4. The patron options selected for the last completed game until the next game starts or a new
513 selection is made; and
- 514 5. A disclaimer stating "Malfunction Voids all Pays" or some equivalent verbiage approved by
515 the commission. This may be presented as permanent signage on the terminal.

516 F. The default game display upon terminal reset shall not be a false winning outcome.

517 G. Entertaining game features that simulate bonus or free games shall meet the following
518 requirements:

- 519 1. The initiation of a bonus or free game shall only be based on the result of the wager placed by
520 the patron on the result(s) of the historical horse race(s) selected for the wager;
- 521 2. The bonus or free game shall not require additional money to be wagered by the patron;
- 522 3. The entertaining display shall make it clear to the patron that he or she is in bonus mode to
523 avoid the possibility of the patron unknowingly leaving the wagering terminal while in a bonus
524 mode; and
- 525 4. If the bonus or free game requires an input from the patron, and the patron has not completed
526 the input in ninety (90) seconds from the initiation of the bonus or free game, the terminal shall
527 skip to the final result of the bonus or free game and display the total amount won by the patron.

528 H. Electronic metering displays shall:

- 529 1. At all times include all credits or cash available for the patron to wager or cash out unless the
530 terminal is in an error or malfunction state. This information is not required when the patron is
531 viewing a menu or help screen item;
- 532 2. Reflect the value of every prize at the end of a wager and be added to the patron's credit
533 meter, except for handpays; and
- 534 3. Show the cash value collected by the patron upon a cashout unless the terminal is in an error
535 or malfunction state.

536 I. A wager is complete when the final transfer to the patron's credit meter takes place or when all
537 credits wagered are lost.

538 **11VAC10-47-130. Required reports for wagering on historical horse races; audit and inspection by**
539 **the commission.**

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

- 544 1. Current values of each pari-mutuel wagering pool, including seed pools and allocated prize
545 pools;

- 546 2. Total amounts wagered for all pools;
547 3. Total amounts won by patrons for all pools;
548 4. Total commission withheld for all pools;
549 5. Total breakage for all pools, where applicable;
550 6. Total amount wagered at each terminal;
551 7. Total amount won by patron at a terminal;
552 8. The amount wagered on each mathematical model configuration and the amount won from
553 each mathematical model configuration offered at a terminal;
554 9. Total amount of each type of financial instrument inserted into a terminal;
555 10. Total amount cashed out in voucher or handpays at a terminal; and
556 11. Taxable win events including:
557 a. Time and date of win;
558 b. Wagering terminal ID;
559 c. Amount wagered resulting in taxable win;
560 d. Taxable amount won; and
561 e. Withholding amount.

562 B. As provided in Va. Code § 59.1-369(2), the commission or its authorized representatives may, at
563 any time, conduct an audit or inspection of the financial reports, software, terminals, or other equipment
564 used by licensee in conducting operations under this chapter.

565 **11VAC10-47-140. Permits required.**

566 All racing officials employed in a satellite facility or at a significant infrastructure facility which
567 offers pari-mutuel wagering on historical horse racing shall apply for permits under the provisions of
568 11VAC10-50-10 *et seq.* All participants employed in such facilities shall apply for permits under the
569 provisions of 11VAC10-60-10 *et seq.*

570 **11VAC10-47-150. Filing of application; fee.**

571 An applicant for a license to offer pari-mutuel wagering on historical horse racing shall apply for a
572 license to conduct the same with the commission at its offices, with the application tendered by hand
573 delivery, certified mail, or recognized overnight courier service with delivery confirmation to the
574 attention of the executive secretary of the commission. An application fee of \$1,000 shall be paid for
575 each location where the applicant seeks to offer pari-mutuel wagering on historical horse racing.

576 **11VAC10-47-160. Required information.**

577 An application for a license to conduct pari-mutuel wagering on historical horse racing shall contain
578 the materials and information specified in 11VAC10-40-130 through 280. The applicant may reference
579 its materials provided for a satellite facility or significant infrastructure limited license as part of its
580 application for a license to offer pari-mutuel wagering on historical horse racing. The application shall
581 also contain detailed information on the game(s) to be offered by the applicant, including information
582 demonstrating compliance with the requirements of this chapter. After review of the application, the
583 executive secretary may request the applicant provide additional information, which the applicant shall
584 promptly tender to the commission. Failure to provide information contained in the regulations set forth
585 above, or as requested by the commission, shall be grounds for the commission to deny the request for a
586 license to conduct pari-mutuel wagering on historical horse racing.

587 **11VAC10-47-170. Duration of license; transfer.**

588 A license for conducting pari-mutuel wagering on historical horse racing shall be effective for one (1)
589 calendar year or so long as the licensee shall hold a significant infrastructure limited license or satellite
590 facility license for the particular location, whichever is shorter. A licensee may not transfer its license, or

591 assign responsibility for compliance with the conditions of its license, to any party (including, without
592 limitation, a transfer of effective control of the licensee) without commission approval.

593 **11VAC10-47-180. Simulcast operations.**

594 For any satellite facility that offers pari-mutuel wagering on historical horse racing, the following
595 conditions shall apply:

596 A. A licensee may not reduce, limit, or otherwise alter the nature or extent of its simulcast operations
597 if it offers pari-mutuel wagering on historical horse racing without commission approval.

598 B. Any licensee must provide the following minimum simulcast offerings:

599 1. A daily minimum simulcast schedule of not less than eight (8) racetracks;

600 2. At least one (1) teller dedicated to simulcast wagering, or one (1) teller for every fifty (50)
601 historical horse racing terminals at the satellite facility, whichever number is greater; and

602 3. At least four (4) self-service tote machines dedicated to simulcast wagering, or one (1) self-
603 service tote machine dedicated to simulcast wagering for every fifty (50) historical horse racing
604 terminals at the satellite facility, whichever number is greater.

605 C. The licensee must promote simulcast wagering inside its satellite facility and make available
606 televisions broadcasting simulcast signal, tote machines and tellers in a prominent location for use by
607 patrons.

608 D. The Commission may authorize a licensee to provide historical racing terminals at a satellite
609 facility located in a jurisdiction with a valid and un-expired referenda on pari-mutuel wagering in
610 accordance with the following limits on the total number of historical racing terminals located in such
611 jurisdiction:

612 1. Up to seven hundred (700) terminals in a jurisdiction with a population of 120,000 or greater;

613 2. Up to three hundred (300) terminals in a jurisdiction with a population between 60,000 and
614 120,000; and

615 3. Up to one hundred fifty (150) terminals in a jurisdiction with a population of 60,000 or
616 below.

617 The population of a jurisdiction shall be determined based upon the most recent University of Virginia
618 Weldon Cooper Center population estimates.

619 E. Any such satellite facility must receive all appropriate local government authorizations.

620 F. In no circumstance shall the total number of historical racing terminals located in a jurisdiction
621 set forth in 11VAC10-47-180.D exceed thirty five percent (35%) of the total limit for such jurisdiction
622 absent formal approval by the relevant city or town council or county board of supervisors of the
623 jurisdiction.

624 G. In no circumstance shall the combined statewide total number of historical racing terminals
625 located at satellite facilities and significant infrastructure facilities exceed three thousand (3,000).

626 **11VAC10-47-190. Significant infrastructure limited licensee operations.**

627 For any significant infrastructure limited licensee that offers pari-mutuel wagering on historical horse
628 racing, the following conditions shall apply:

629 A. For each calendar year, a licensee must offer at its significant infrastructure facility a minimum
630 of:

631 1. fourteen (14) days of live racing (consisting of not less than six (6) races per day); or

632 2. one (1) day of live racing (consisting of not less than six (6) races per day) for every one
633 hundred (100) historical racing terminals installed at such facility together with any satellite

634 facility owned, operated, controlled, managed, or otherwise affiliated directly or indirectly with
635 such licensee

636 whichever number shall be greater.

637 B. In no circumstance shall the total number of historical racing terminals at any significant
638 infrastructure facility exceed seven hundred (700) terminals.

639 C. Live racing dates shall be approved by the commission and conducted in accordance with Chapter
640 20 of these regulations.

641 **11VAC10-47-200. Responsible gaming.**

642 A. A licensee shall implement a program to promote responsible gaming by its patrons and provide
643 details of the same to the commission. At a minimum, such program shall require:

644 1. Posting in a conspicuous place in every place where pari-mutuel wagering on historical horse
645 racing is conducted a sign that bears a toll-free number for "Gamblers Anonymous" or other
646 organizations that provide assistance to compulsive gamblers;

647 2. Provide informational leaflets or other similar materials at the licensee's facilities on the
648 dangers associated with compulsive gambling;

649 3. Include in promotional and marketing materials of the licensee information on compulsive
650 gambling and organizations that provide assistance to compulsive gamblers;

651 4. A routine audit of patron activity to identify patrons who have suffered significant financial
652 losses in repeated visits to the licensee's facilities and provide such patrons with information on
653 organizations that provide assistance to compulsive gamblers;

654 5. If the licensee holds a license from the Virginia Alcohol Beverage Control Authority to serve
655 alcoholic beverages, employee training to identify patrons who have consumed excessive
656 amounts of alcohol to prevent such patrons from continuing to engage in wagering activity while
657 impaired;

658 6. Partner with the Virginia Council on Problem Gaming, the National Council on Problem
659 Gaming or other similar organization to identify and promote best practices for preventing
660 compulsive gambling; and

661 7. Ensuring that any request by a patron who wishes to self-bar himself or herself from the
662 licensee's facilities is honored by the licensee.

663 B. A licensee shall report annually to the commission on its efforts to identify compulsive gamblers
664 and steps taken:

665 1. to prevent such individuals from continuing to engage in pari-mutuel wagering on historical
666 horse racing; and

667 2. provide assistance to these individuals to address compulsive gambling activity.