

ARTICLE 12. SATELLITE FACILITY AND SIMULCASTING

Rule 1. License Application Requirements and Criteria

71 IAC 12-1-1 Authority

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 1. IC 4-31-3-9 authorizes the commission to adopt rules to implement this article. (*Indiana Horse Racing Commission; 71 IAC 12-1-1; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1214; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-2 Purpose

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 2. The purpose of this article is as follows:

(1) To ensure that pari-mutuel wagering at satellite facilities in Indiana will be conducted with the highest of standards and the greatest level of integrity.

(2) To establish application and license criteria for the issuance of licenses to conduct activities relating to pari-mutuel wagering at satellite facilities in order to ensure the protection of the public interest.

(3) To ensure that the process of the issuance of licenses relating to pari-mutuel wagering at satellite facilities is fair and equitable.

(*Indiana Horse Racing Commission; 71 IAC 12-1-2; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1214; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-3 Time for filing of applications for licenses

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 3. (a) The commission shall determine, and give ten (10) days public notice of, a thirty (30) day period in which initial license applications will be accepted. The notice of the thirty (30) day period will be given reasonably promptly after the commission considers and acts upon the permit applications filed during the one hundred six (106) day period from May 1 to August 14, 1992. The initial license applications submitted during the thirty (30) day period will be considered and acted upon by the commission as a group when considering whether to grant a license or licenses. Thereafter, initial license applications will be considered and acted upon by the commission from time to time as submitted. Provided, however, that initial license applications received after the thirty (30) day period will not be considered by the commission until after the commission has considered and acted upon the initial license applications filed during the thirty (30) day period described above.

(b) Thereafter, subsequent to implementation of subsection (a), license holders under IC 4-31-5.5 shall file an annual renewal license application with the commission no later than November 1 of the year preceding the year in which pari-mutuel wagering at a satellite facility is to be conducted. (*Indiana Horse Racing Commission; 71 IAC 12-1-3; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1215; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-4 Application form and affidavit

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 4. (a) An applicant for a license under IC 4-31-5.5 shall submit to the commission an affidavit and application and any exhibits thereto, in the form and manner prescribed by the commission and on forms furnished by the commission. The application and related forms shall be available at the commission's office.

(b) The applicant shall use best efforts to provide all information required to be disclosed in the application. In the event an applicant is unable, despite best efforts, to provide the information required, the applicant shall fully explain and document to the satisfaction of the commission its inability to provide the information and shall provide such information promptly upon being able to do so.

(c) Upon request of the commission or its agents, the applicant shall provide copies of any documents used in the preparation of its application. (*Indiana Horse Racing Commission; 71 IAC 12-1-4; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1215; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-5 Application submission

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 5. An applicant for a license under IC 4-31-5.5 shall submit the following to the commission's office not later than the date specified in section 3 of this rule:

- (1) All documents required by IC 4-31 and this article as a single assemblage and sequentially numbered, including exhibits, with each exhibit properly identified.
- (2) A letter of transmittal to the commission and, in sealed envelopes, one (1) manually signed, and fifteen (15) copies of the application.
- (3) The applicant shall be responsible for the payment of any and all fees and expenses with regard to the initial license application incurred by the commission, at its discretion, for outside professionals and consultants, excluding legal and investigative fees. As an initial retainer against such initial license application fee, the applicant shall submit, at the time of providing a license application to the commission, a cashier's check or certified check in an amount to be determined by the commission, payable to the commission. Any portion of such fees not required to complete such review as determined by the commission shall be refunded to the applicant within twenty (20) days of the withdrawal or rejection of the initial license application or within twenty (20) days of the granting of the license. To the extent additional fees are necessary, as determined by the commission, the applicant shall submit a cashier's check or certified check payable to the commission in an amount requested by the commission within ten (10) days of receipt of such request. Failure to submit such additional fees will result in suspension of the processing of the license application by the commission and may ultimately result in the denial of the issuance of a license.
- (4) The commission may require the payment of investigative fees, to be determined by the commission, if the commission shall determine that an investigation is necessary.

(*Indiana Horse Racing Commission; 71 IAC 12-1-5; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1215; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-6 License criteria

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 6. (a) The commission may issue a license under IC 4-31-5.5 if the commission determines that the applicant meets all of the requirements under IC 4-31 and this title and, on the basis of all facts before it, the following is shown:

- (1) The applicant has been granted a permit by the commission and has met the requirements of IC 4-31 as determined by the commission.
- (2) The applicant is qualified and financially able to operate a satellite facility.
- (3) The satellite facility will be operated in accordance with all applicable laws and rules.
- (b) In reviewing an application, the commission may consider any information, data, reports, findings, factors, or indices available which it considers important or relevant to its determination of whether an applicant is qualified to hold a satellite facility license under IC 4-31-5.5, including, without limitation, the following:
 - (1) The integrity of the applicant, its partners, directors, officers, policymakers, owners, directly or indirectly, of any equity, security, or other ownership interest in the applicant, including, but not limited to, the following:
 - (A) Criminal record.
 - (B) Whether a party to litigation over business practices, disciplinary actions over a business license or permit, or refusal to renew a license or permit.
 - (C) Proceedings in which unfair labor practices, discrimination, or governmental regulation of pari-mutuel wagering was an issue or bankruptcy proceedings.
 - (D) Failure to satisfy judgments, orders, or decrees.

- (E) Delinquency in filing of tax reports or remitting taxes.
- (F) Any other indices related to the integrity of the applicant which the commission considers important or relevant to this determination.
- (2) The quality of physical improvements and equipment proposed or existing in the applicant's satellite facility, including, but not limited to, the following:
 - (A) Patron areas.
 - (B) Totalizer equipment.
 - (C) Parking.
 - (D) Access by road and public transportation.
 - (E) Commission work area.
 - (F) Concession areas.
 - (G) Pari-mutuel management areas.
 - (H) Any other indices related to the quality of physical improvements and equipment which the commission considers important or relevant to its determination.
- (3) Schedule for completion of satellite facility and feasibility of meeting schedule, including commitments of architects, engineers, contractors, suppliers, materialmen, and vendors.
- (4) The types, quality, and variety of pari-mutuel horse racing which applicant seeks to simulcast.
- (5) Financial ability of the applicant to develop, own, and operate a satellite facility successfully, including, but not limited to, the following:
 - (A) Ownership and control structure; amounts and reliability of developmental costs.
 - (B) Certainty of site acquisition or lease.
 - (C) Current financial condition.
 - (D) Sources of equity and debt funds, amounts, terms and conditions, and certainty of commitment.
 - (E) Provisions for cost overruns, nonreceipt of expected equity or debt funds, failure to achieve projected revenues, or other financial adversity.
 - (F) Feasibility of financial plan.
 - (G) Expert opinions relative to feasibility.
 - (H) Any other indices related to financial ability which the commission considers important or relevant to its determination.
- (6) Status of governmental actions required by the applicant's facility, including, but not limited to, the following:
 - (A) Necessary road improvements.
 - (B) Necessary public utility improvements.
 - (C) Required governmental approvals for development, ownership, and operation of the satellite facility, including appropriate zoning approvals.
 - (D) Any other indices related to the status of governmental action which the commission considers important or relevant to its determination.
- (7) Management ability of the applicant, including, but not limited to, the following:
 - (A) Qualification of managers, consultants, and other contractors to develop, own, or operate a satellite facility.
 - (B) Security plan.
 - (C) Marketing, promotion, and advertising plans.
 - (D) Concession plan.
 - (E) Personnel training plan.
 - (F) Equal employment and affirmative action plans.
 - (G) Any other indices related to management ability which the commission considers important or relevant to its determination.
- (8) Compliance with applicable statutes, charters, ordinances, or regulations.
- (9) Efforts to promote, develop, and improve the horse racing industry in Indiana, including the investment by applicant at its pari-mutuel race track and proposed satellite facilities in Indiana.
- (10) Impact of satellite facility, including, but not limited to, the following:
 - (A) Employment created, purchases of goods and services, public and private investment, and taxes generated.
 - (B) Ecological and environmental impact.

- (C) Social impact.
- (D) Cost of public improvements.
- (E) Public interest.
- (F) Any other indices related to the impact of the proposed facility which the commission considers important or relevant to its determination.
- (11) Extent of public support or opposition to the satellite facility at the location where the license is sought.
- (12) Effects of location of satellite facility, including, but not limited to, the following:
 - (A) Number, nature, and relative location of other licenses.
 - (B) Impact of facility on the business of a track(s) or satellite facility owned by another permit holder.
 - (C) Impact of facility on permit holder's race track.
 - (D) Impact of facility on live racing, including the impact on purses.
 - (E) Any other indices relating to location of the satellite facility which the commission considers important or relevant to its determination.
- (13) The commission may consider any other information which the commission considers important or relevant to a proper determination by the commission.

(Indiana Horse Racing Commission; 71 IAC 12-1-6; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1215; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-1-7 Initial operations

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 7. Upon the granting of a license to an applicant, the license holder may not commence the operation of the satellite facility so licensed until such time as live racing commences at the race track of the permit holder or group of permit holders who are granted a license hereunder. *(Indiana Horse Racing Commission; 71 IAC 12-1-7; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1217; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-1-8 Mileage restrictions

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 8. A proposed satellite facility may not be located within twenty-five (25) miles of an approved or existing race track in Indiana that conducts pari-mutuel wagering without the prior written permission of the permit holder that operates the approved or existing race track. Such restriction shall not prevent the approval by the commission of a race track within twenty-five (25) miles of an approved or existing satellite facility. *(Indiana Horse Racing Commission; 71 IAC 12-1-8; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1217; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-1-9 Conditional approval of simulcasting dates

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 9. The commission may conditionally approve any and all simulcasting dates requested in the license application or requested by the license holder after a license is granted subject to receipt by the commission of the simulcasting schedule requested. In determining the conditional approval of the simulcasting dates, the factors to be considered by the commission shall include, without limitation, the following:

- (1) The economic impact in the locality of the satellite facility.
- (2) The effects that the simulcast races will have on purses, including purses to the breed of horse then currently racing live.
- (3) The quality of horse racing to be simulcast.
- (4) The impact of the approval on the horse racing and horse breeding industry in the state of Indiana.
- (5) Past dates.
- (6) Past performance of the license holder.

- (7) Whether the license holder has complied with all applicable laws and rules relating to horse racing.
- (8) Whether the approval will maximize revenues to the state.
- (9) Whether the approval will adversely affect the public health, welfare, and safety.
- (10) Any other indices relating to the approval of simulcasting dates and simulcasting contracts which the commission considers important or relevant to its determination.

(Indiana Horse Racing Commission; 71 IAC 12-1-9; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1217; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2087; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-1-10 Approval of simulcasting and simulcasting schedule

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 10. (a) The commission delegates to the executive director the authority to make approvals under this section, unless the executive director in his or her discretion determines that consideration and approval by the commission is necessary. The license holder may, from time to time, request the executive director of the commission for approval of simulcasting and the specifics of a simulcasting schedule from its racetrack or for its satellite facilities.

(b) The association, whether acting as a host track or a receiving track or satellite facility, shall comply with the filing requirements and conditions as determined by the commission.

(c) The association shall retain a copy of each simulcast contract to be available to the commission upon request.

(d) Compliance by the association with the filing requirements and conditions of subsection (b) shall, unless the executive director or the commission advises the association in writing within five (5) business days after satisfying the filing requirements, be deemed:

- (1) approval of the simulcasting and simulcast schedule;
- (2) approval for the participation by the association in either interstate common pools or merged pools, including changes in takeout rates to achieve a common takeout rate or otherwise achieve an equitable combination in an interstate common pool or merged pool; and
- (3) compliance with 71 IAC 12-2-7.

(Indiana Horse Racing Commission; 71 IAC 12-1-10; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1217; emergency rule filed Jan 27, 1995, 3:30 p.m.: 18 IR 1508; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2088; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-1-11 Changes in license applications

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 11. (a) An applicant shall furnish written notification to the commission of any material change in the information originally submitted in its application. This notification shall be made within five (5) days following the event of such change and provide details to the degree of specificity required in the application.

(b) Notwithstanding an applicant's timely notification of a material change in the information submitted in its application, the commission may refuse to consider any substantive amendment to an application after the initial submission of the application.

(Indiana Horse Racing Commission; 71 IAC 12-1-11; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1218; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-1-12 Additional information

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 12. The commission may require, either before or after oral presentation, any additional information it considers necessary or relevant from any applicant to clarify, support, or otherwise explain information contained in the applicant's application for the purpose of ruling on a license application. *(Indiana Horse Racing Commission; 71 IAC 12-1-12; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1218; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-1-13 Oral presentation by applicant

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 13. The commission shall provide the applicant for a license under IC 4-31-5.5 an opportunity to make an oral presentation of its application to the commission prior to the ruling on the application. The presentation shall be made by an applicant, under oath, at a session of the commission. The presentation shall be limited to the information contained in the applicant's application. The commission is not required to afford an applicant more than one (1) opportunity to make an oral presentation on the same application prior to a commission determination. Provided, however, the commission may require an applicant to appear before the commission to clarify or otherwise respond to questions concerning the application as a condition to the issuance of a license. No opportunity for an oral presentation need be given, if, at any time, the commission deems the applicant's application not complete and does not accept the application for filing. (*Indiana Horse Racing Commission; 71 IAC 12-1-13; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1218; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-14 License applications as public records

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5; IC 5-14-3-2; IC 5-14-3-4

Sec. 14. The secretary of the commission shall retain and safeguard all applications received under IC 4-31-5.5. Promptly after an application has been filed, the secretary shall deliver the application to the commission for review. Upon filing, the application shall become a public record as defined in IC 5-14-3-2, therefore making the application subject to public inspection or copying, except that any personal financial information required in the application or as a supplement thereto shall be kept confidential in accordance with IC 5-14-3-4(a)(5). (*Indiana Horse Racing Commission; 71 IAC 12-1-14; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1218; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-15 Contracts with a license holder; approval by commission

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5; IC 4-31-6-1

Sec. 15. (a) A license holder may not execute any of the following contracts regarding the operation of the satellite facility for which the license holder is licensed without the prior approval of the commission:

(1) A contract, other than an employment contract, for which the amount of consideration is fifty thousand dollars (\$50,000) or more.

(2) A series of contracts effective during the same fiscal year of the license holder, other than employment contracts, between the license holder and the same contractor for which the total amount of consideration of the contracts is fifty thousand dollars (\$50,000) or more.

(3) A contract for management, concession, or totalizator services.

(b) A contract that requires approval under this section must be in writing.

(c) To receive the approval of the commission for a proposed contract subject to this section, the license holder shall submit to the commission a copy of the proposed contract and background information on the contractor on a form provided by the commission.

(d) The commission may delegate to the secretary of the commission the authority to approve contracts other than contracts for management, concession, or totalizator services.

(e) The commission or, upon delegation of the commission, the secretary of the commission, shall determine whether the contract may affect the integrity of pari-mutuel racing. In making a determination that a contract may affect the integrity of racing, the commission or, upon delegation by the commission, the secretary of the commission, may consider such factors as it considers relevant, including, without limitation, the following:

(1) The value and duration of the contract.

(2) The extent to which the contractor will be on the premises of the license holder.

(3) The relationship of the contract to the general security of a facility, including opportunity for contact between the contractor, occupational licensees, or patrons.

(4) The opportunity for the contractor to influence the management and conduct of pari-mutuel racing.

(5) The contact with admission, pari-mutuel, or concession money.

(6) Whether the commission has reason to believe that the contractor is incompetent, financially irresponsible, or not of good character.

(f) Until approved by the commission, any contract regarding the operation of a satellite facility described in subsection (a) shall not be valid or binding on any licensee. The commission or, upon delegation by the commission, the secretary of the commission, shall, within forty-five (45) days after submission of a contract to the commission, approve or disapprove the contract, and, if not acted upon by the commission within forty-five (45) days of the submission, the contract will be considered approved by the commission. Provided, however, that the commission or, upon delegation by the commission, the secretary of the commission, may request additional information regarding the contract during the forty-five (45) day period and shall thereafter have thirty (30) days to act with respect to the contract after receipt of such additional information. Provided, further, that the license holder may request that the commission take action on the contract within a shorter period of time, which period may be accepted by the commission or, upon delegation by the commission, the secretary of the commission, in their sole discretion upon a showing of good cause by the license holder.

(g) Any contract regarding the operation of the satellite facility for less than fifty thousand dollars (\$50,000) entered into by any licensee shall be filed with the commission within seven (7) days of execution.

(h) A satellite license holder for a particular location may not receive services from another person or entity at such location if the performance of the services by that person or entity requires a license under IC 4-31-6-1, unless that person or entity is licensed under IC 4-31-6-1 to provide those services at that particular location.

(i) In the event any licensee takes actions pursuant to any contract which has not been approved or filed as provided herein, or which is not permitted as provided in subsection (h), the commission may suspend or revoke the license held by the licensee or assess such fines or penalties which the commission shall in its discretion determine appropriate. (*Indiana Horse Racing Commission; 71 IAC 12-1-15; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1218; errata filed Mar 9, 1994, 2:50 p.m.: 17 IR 1622; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-16 Transfers of licenses

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 16. A license issued under IC 4-31-5.5 is for the benefit of the license holder only and is applicable only to the location for which the license was issued. The license may not be sold or otherwise transferred and shall terminate upon a substantial change of ownership of the license holder, unless the commission has granted prior written approval of the substantial change. The sale, pledge, encumbrance, or other transfer of five percent (5%) or more of the equity securities or other ownership interest of a partnership, association, corporation, or other entity holding a license shall be considered a substantial change of ownership. Any request for approval of a substantial change of ownership shall contain, where applicable, the same information about the proposed transferee as is required to be furnished under section 4 of this rule. Upon receipt of all information required by the commission with regard to a proposed substantial change in ownership, the commission shall, within sixty (60) days, make a determination whether to authorize and approve the substantial change in ownership of a license holder. (*Indiana Horse Racing Commission; 71 IAC 12-1-16; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1219; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-17 Validity of application information

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 17. False or misleading information, omission of required information, or substantial deviation from representations in the application for a license under IC 4-31-5.5 is cause of denial, revocation, or suspension of a license. (*Indiana Horse Racing Commission; 71 IAC 12-1-17; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1219; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-18 Enforcement of rules

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 18. Each license holder has a duty to comply with the rules of the commission at all times and acknowledge that the rules are a condition under which the license is granted. (*Indiana Horse Racing Commission; 71 IAC 12-1-18; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1219; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-19 Material modification, expansion, or reduction of proposed or existing satellite facility

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 19. No license holder may materially alter an existing or proposed satellite facility after a license has been issued for that facility without prior approval of the commission or, upon delegation by the commission, the secretary of the commission. No license holder may expand or reduce an existing or proposed satellite facility after a license has been issued for that facility, which expansion or reduction would result in an increase or decrease in the actual cost of the facility of twenty-five thousand dollars (\$25,000) or more in as compared to the estimated or projected development costs of the facility as proposed at the time the license was granted or which would cost in excess of fifty thousand dollars (\$50,000) at an existing facility, without prior approval of the commission or, upon delegation by the commission, the secretary of the commission. In the event a license holder shall fail to obtain required approval, the commission may revoke or suspend the license holder's license or assess such fines or penalties which the commission shall in its discretion determine appropriate. (*Indiana Horse Racing Commission; 71 IAC 12-1-19; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1219; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2089; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-20 Delay in completion of satellite facility

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 20. (a) Failure of a license holder to begin simulcasting authorized under the license as specified by the commission by the date specified in the license may, at the sole discretion of the commission, subject the license holder to a late fee not to exceed five thousand dollars (\$5,000) for every day that simulcasting is not conducted after the commencement date specified in the license. However, this late fee shall not be required to be paid for any particular day if the license holder can prove to the satisfaction of the commission that the delay arose out of causes beyond the control and without the fault or negligence of the license holder, its contractors, and subcontractors.

(b) Such causes referred to in subsection (a) may include, but are not limited to:

- (1) acts of God or enemies of the United States;
- (2) acts of government in either its sovereign or contractual capacity;
- (3) fires;
- (4) floods;
- (5) epidemics;
- (6) quarantine restrictions;
- (7) strikes;
- (8) freight embargoes; and
- (9) unusually severe weather;

but in every case the delay shall be beyond the control and without the negligence of the license holder, its contractors, and subcontractors.

(c) If the cause of delay is the default of a contractor or subcontractor, and if the license holder proves to the satisfaction of the commission that the default arose out of causes beyond the control of the license holder, its contractors, and subcontractors, then the late fee shall not be due unless the supplies or services to be furnished by the contractor or subcontractor were obtainable from other sources in sufficient time to allow the license holder to meet the completion date. (*Indiana Horse Racing Commission; 71 IAC 12-1-20; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1220; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-21 Filing of license holder's organizational documents

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 21. Each license holder is required to keep on file with the commission a current copy of its organizational documents, such as articles of incorporation, bylaws, articles of partnership, certificate of limited partnership, etc. Any amendment to these documents shall be filed with the commission as soon as is practicable by the applicant. (*Indiana Horse Racing Commission; 71 IAC 12-1-21; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1220; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-22 Administrative orders and procedures statute

Authority: IC 4-31-3-9

Affected: IC 4-21.5; IC 4-31-5

Sec. 22. The issuance, denial, suspension, diminishment, or revocation of a license under this article is subject to IC 4-21.5. (*Indiana Horse Racing Commission; 71 IAC 12-1-22; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1220; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-23 Annual license renewal and fee

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 23. (a) Upon the issuance of an initial license, the license holder shall submit to the commission a cashier's check or certified check payable to the commission as a nonrefundable annual license fee in the amount of one thousand dollars (\$1,000).

(b) An applicant for a renewal of a license under IC 4-31-5.5 shall submit the following to the commission's office no later than the date specified in section 3(b) of this rule:

(1) A letter of transmittal to the commission and fifteen (15) copies of the renewal application for each license.

(2) A cashier's check or certified check payable to the commission in the amount of one thousand dollars (\$1,000) as a nonrefundable annual license fee for each license.

(3) Any changes to the information previously submitted to the commission for applicants' existing licenses to conduct pari-mutuel wagering at a satellite facility which have not been previously considered and acted upon by the commission.

(4) A request for conditional approval of simulcasting dates under section 9 of this rule.

(5) Any additional information requested by the commission either before or after the renewal application is submitted.

(c) The commission may issue a renewal license or licenses if it determines that the applicant has met the license criteria of section 6 of this rule.

(d) The conditional approval of simulcasting dates may be the subject of a separate proceeding conducted by the commission. (*Indiana Horse Racing Commission; 71 IAC 12-1-23; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1220; emergency rule filed Jan 27, 1995, 3:30 p.m.: 18 IR 1509; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-1-24 Issuance of license

Authority: IC 4-31-3-9

Affected: IC 4-31-5

Sec. 24. In considering the issuance of a license, the commission shall approve, modify and approve, or deny the request for a license. The commission may, in its sole discretion, preliminarily and conditionally approve the proposed location of a satellite facility, subject to the subsequent filing of a license application and compliance by the license applicant with all statutes, rules, and regulations related to the issuance of a license. In issuing a license, the commission may, in its sole discretion, specify in detail any conditions to which the issuance of a license is subject. (*Indiana Horse Racing Commission; 71 IAC 12-1-24; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1220; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

Rule 2. Operations

71 IAC 12-2-1 Application

Authority: IC 4-31-3-9

Affected: IC 4-31

Sec. 1. This rule applies to satellite facilities and simulcasting to and from a permit holder's track. (*Indiana Horse Racing Commission; 71 IAC 12-2-1; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1221; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-2-2 Penalties

Authority: IC 4-31-3-9

Affected: IC 4-31-13-1; IC 4-31-7-7

Sec. 2. The commission may impose a civil penalty pursuant to IC 4-31-13-1 for each violation of the terms of the Act relating to:

- (1) the conduct of satellite and simulcast wagering;
- (2) any rules adopted by the commission;
- (3) any order of the commission;
- (4) any action, or failure to act, which the commission finds and determines to be a detriment or impediment to satellite wagering; or
- (5) any requirement imposed as a condition of licensure.

(*Indiana Horse Racing Commission; 71 IAC 12-2-2; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1221; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-2-3 Commission office

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 3. Each satellite facility shall provide working space at the satellite facility for commission employees to carry out their duties of inspection and regulation. (*Indiana Horse Racing Commission; 71 IAC 12-2-3; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1221; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899*)

71 IAC 12-2-4 Simulcast requirements

Authority: IC 4-31-3-9

Affected: IC 4-31-7-7

Sec. 4. (a) The permit holder conducting the horse race upon which satellite wagering is being conducted is responsible for the content of its simulcast and shall use all reasonable effort to present a simulcast which offers the viewers an exemplary depiction of its racing program.

(b) Every simulcast shall be encrypted in a manner approved by the commission. However, the commission or the executive director may waive the requirement for the encryption and decoding of transmissions originated in another state if the signal is available on cable or network television. At the request of the association, the commission may waive the encryption requirement for a special race, a series of special races, or for experimental purposes.

(c) Every simulcast shall contain in its video content the following:

- (1) A digital display of the actual time of day, the name of the race track from where it emanates, and the number of the race being displayed.
- (2) A periodic display of wagering information, including:
 - (A) odds;
 - (B) probable payoffs; and
 - (C) pool totals.
- (3) Continuity of programming between horse racing events.
- (d) The transmission of the audio portion of the coverage shall be independent of the transmission of the video portion.

(Indiana Horse Racing Commission; 71 IAC 12-2-4; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1221; emergency rule filed Nov 10, 1994, 4:40 p.m.: 18 IR 545; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2089; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-2-5 Interruption of signal

Authority: IC 4-31-3-9

Affected: IC 4-31-7-7

Sec. 5. (a) In the event the transmission or reception of the audio coverage of a race is interrupted, the video signal of the race shall continue to be present.

(b) In the event the transmission or reception of the video coverage of a race is interrupted, the audio coverage of the race shall continue to be presented.

(c) If the reception of the audio and video coverage of a race is interrupted, wagering being conducted on future races at the nonprimary location shall cease until the transmissions are restored.

(d) If the interruption of audio or video coverage, or both, prevent the display of a race at the nonprimary location, a replay of the race shall be displayed at the nonprimary location as soon after the restoration of coverage as possible. *(Indiana Horse Racing Commission; 71 IAC 12-2-5; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1221; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-6 Wagering pools on intrastate simulcasting

Authority: IC 4-31-3-9

Affected: IC 4-31-7-7

Sec. 6. All wagers accepted by a satellite facility or a track on races originating from a race track in Indiana shall be transmitted to the host track for inclusion in the appropriate wagering pool for the purpose of calculating payoffs to bettors. *(Indiana Horse Racing Commission; 71 IAC 12-2-6; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1221; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-7 Wagering pools on interstate simulcasting

Authority: IC 4-31-3-9

Affected: IC 4-31-7-8; IC 4-31-9-1

Sec. 7. Upon petition by the permit holder the commission may authorize a permit holder to participate in an interstate combined wagering pool that is established for the purpose of calculation payoff pursuant to IC 4-31-7-8 on races origination in another state or country. The petition shall include the following:

- (1) The date or dates of simulcast.
- (2) The types of wagering opportunities to be offered.
- (3) The rate of takeout for each type of wager.
- (4) The method for calculating breakage.

Specifics attesting to the compatibility of the totalizator systems to transmit wagering information to the host track shall be provided. Approval of the racing jurisdiction where the signal is origination should be provided. Simulcast conducted on races originating in another state or country without commission approval of an interstate combined wager pool shall be conducted pursuant to IC 4-31-9-1. *(Indiana Horse Racing Commission; 71 IAC 12-2-7; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1222; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-8 Announcing the close of wagering

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5; IC 4-31-7-7

Sec. 8. The stop betting command shall be noted by the ringing of the off-bell at the satellite facility and the track receiving a simulcast signal. *(Indiana Horse Racing Commission; 71 IAC 12-2-8; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1222;*

readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-2-9 Satellite facility wagering

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 9. All pari-mutuel wagering at a satellite facility shall be conducted in accordance with the rules of the commission. Pari-mutuel tickets utilized at satellite locations shall be distinct from pari-mutuel tickets used at the permit holder's track. The form of the ticket utilized shall be approved by the commission or its designee prior to the operation of the satellite facility if it meets this standard. *(Indiana Horse Racing Commission; 71 IAC 12-2-9; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1222; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-10 Licensing of employees

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5; IC 4-31-6

Sec. 10. (a) No person shall perform any work or services which are conducted in whole or in part on the grounds of a satellite facility without first obtaining a license issued by the commission pursuant to IC 4-31-6.

(b) The commission shall require all persons licensed pursuant to this section who routinely come in contact with the public to display an identification badge on their outer garment during the course of their employment. *(Indiana Horse Racing Commission; 71 IAC 12-2-10; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1222; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-11 Concessionaire license

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 11. No concessionaire shall operate at any satellite facility in Indiana without an occupational license issued by the commission. *(Indiana Horse Racing Commission; 71 IAC 12-2-11; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1222; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-12 Duties of the permit holder acting as host association

Authority: IC 4-31-3-9

Affected: IC 4-31-7-7

Sec. 12. A permit holder acting as a host association shall provide the following:

(1) An uplink system which shall not interfere with the closed circuit television system utilized by the permit holder for officiating and on-track patron information.

(2) A transponder.

(3) Pari-mutuel terminals, pari-mutuel odds display, modems, and switching units at the permit holder's track enabling pari-mutuel data transmissions and data communication to and from the totalizator utilized by the satellite facility.

(4) A voice communication system between each satellite facility and the permit holder providing direct voice contact between the judges and pari-mutuel departments.

(5) A video record of all simulcasts, in decoded form, and a copy of such record on either a one-half (½) inch or a three-quarter (¾) inch video cassette when requested by the commission.

(6) Not less than thirty (30) minutes prior to the commencement of transmission of the racing program for each day or night, a test program of its transmitter, encryption and decoding, and data communication to assure proper operation of the system.

(7) At the request of any representative of the commission, a listing of all locations able to receive the simulcast in decoded form.

(8) Such security controls over its uplink and communications system as directed by the commission.

(Indiana Horse Racing Commission; 71 IAC 12-2-12; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1222; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2089; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-2-13 Duties of the satellite facility or permit holder acting as guest association

Authority: IC 4-31-3-9

Affected: IC 4-31-7-7; IC 5-14-3-4

Sec. 13. A satellite facility or permit holder acting as a receiving track shall provide the following:

- (1) A downlink system which shall not interfere with the closed circuit television system utilized by the satellite facility for officiating and satellite patron information.
- (2) Pari-mutuel terminals, pari-mutuel odds display, modems, and switching units at the satellite facility enabling pari-mutuel data transmissions and data communication to and from the totalizator utilized by the permit holder.
- (3) A voice communication system between each satellite facility and the host track providing direct voice contact between the judges and pari-mutuel departments.
- (4) A video record of all simulcasts, in decoded form, and a copy of such record on either a one-half (½) inch or a three-quarter (¾) inch video cassette when requested by the commission.
- (5) Not less than thirty (30) minutes prior to the commencement of transmission of the racing program for each day or night, a test program of its receiver, description and decoding, and data communication to assure proper operation of the system.
- (6) A separate outstanding ticket liability account must be maintained if the totalization system utilized by the satellite facility is independent from that of the permit holder.
- (7) Such security controls over its downlink and communications system as directed by the commission.
- (8) Compliance with the commission emergency stop betting procedures.
- (9) A separate annual report for the track and for each satellite facility shall be filed with the commission no later than March 31 after the close of the fiscal year. The annual report shall include a profit and loss statement and shall be in a format approved by the commission or the executive director. Such separate annual reports shall be considered as confidential financial documents, and therefore will be kept confidential in accordance with IC 5-14-3-4(a)(5). The commission, upon good cause shown, may extend the time for filing.

(Indiana Horse Racing Commission; 71 IAC 12-2-13; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1223; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2090; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)

71 IAC 12-2-14 Suspension or termination of operations

Authority: IC 4-31-3-9

Affected: IC 4-31-5.5

Sec. 14. A license holder shall submit written notice of its intention to suspend or terminate operations at a satellite facility at least sixty (60) days prior to suspension or termination. The sixty (60) day notification period may be reduced by the commission for good cause shown. *(Indiana Horse Racing Commission; 71 IAC 12-2-14; emergency rule filed Feb 10, 1994, 9:20 a.m.: 17 IR 1223; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-15 Allocation of riverboat gambling admissions tax revenue

Authority: IC 4-31-3-9; IC 4-33-12-6

Affected: IC 4-31-11-10

Sec. 15. (a) An association must be racing live in order to be eligible to receive distributions of riverboat gambling admissions tax revenue pursuant to this section.

(b) The commission shall allocate the riverboat gambling admissions tax revenue distributed to the commission by the treasurer of state pursuant to IC 4-33-12-6 as follows:

- (1) Nineteen and six-tenths percent (19.6%) divided between the standardbred breed development fund, thoroughbred breed development fund, and quarter horse breed development fund as established by the commission under IC 4-31-11-10 as follows:
 - (A) Forty-eight (48%) to standardbred breed development.
 - (B) Forty-eight (48%) to thoroughbred breed development; and
 - (C) Four (4%) to quarter horse breed development.
- (2) Thirty-nine and two-tenths percent (39.2%) to purses for the benefit of horsemen, which shall be divided forty-nine percent

(49%) to standardbred purses, forty-nine percent (49%) to thoroughbred purses, and two percent (2%) to quarter horse purses. If more than one (1) track races standardbreds or thoroughbreds, purses for that breed shall be divided to the purse accounts of the tracks in question proportionally based upon the number of live race dates for that breed. If more than one (1) track races quarter horses, purses for that breed shall be divided to the purse accounts of the tracks in question proportionally based upon the number of live races for that breed. To the extent practical, the revenue received under this subsection shall be distributed as purses for the benefit of horsemen in the year in which the revenue is received.

(3) In a year in which only one (1) association conducts live pari-mutuel racing, forty-one and two-tenths percent (41.2%) shall go to the association after the first five hundred thousand (\$500,000) is distributed as follows:

(A) Two hundred thousand (\$200,000) to the thoroughbred development fund.

(B) Two hundred thousand (\$200,000) to the standardbred development fund.

(C) One hundred thousand (\$100,000) to the quarter horse development fund.

Such revenue may be used by the association for purses, promotions, and routine operations of the race track. Provided, however, that such monies shall not be used for long term capital investment or construction.

(4) In a year in which more than one (1) association conducts live pari-mutuel racing, forty-one and two-tenths percent (41.2%) to the associations, which shall be divided equally between associations if each association races an extended race meet of both standardbred and thoroughbred/quarter horse as defined by 71 IAC 1-1-41.5 and 71 IAC 1.5-1-37.5.

(Indiana Horse Racing Commission; 71 IAC 12-2-15; emergency rule filed Mar 9, 1994, 2:50 p.m.: 17 IR 1629; emergency rule filed Mar 25, 1996, 10:15 a.m.: 19 IR 2090; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2423; emergency rule filed Dec 22, 1999, 4:13 p.m.: 23 IR 1113, eff Dec 15, 1999 [IC 4-22-2-37.1 establishes the effectiveness of an emergency rule upon filing with the secretary of state. LSA Document #99-269(E) was filed with the secretary of state on December 22, 1999]; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1189; emergency rule filed Sep 27, 2002, 2:31 p.m.: 26 IR 394; emergency rule filed Feb 21, 2003, 4:15 p.m.: 26 IR 2387; emergency rule filed Oct 20, 2003, 9:35 a.m.: 27 IR 896; emergency rule filed Mar 8, 2006, 1:55 p.m.: 29 IR 2208, eff Apr 1, 2006; errata filed Apr 10, 2006, 2:00 p.m.: 29 IR 2546)

71 IAC 12-2-16 Allocation of simulcasting revenue to host association

Authority: IC 4-31-3-9

Affected: IC 4-31-9-2

Sec. 16. (a) Intrastate simulcasting revenue for purses under IC 4-31-9-2 generated by any association or satellite facility on a signal provided by a host association shall be allocated in full to purses to benefit the breed of horse at the host association that is providing the simulcasting signal.

(b) Interstate simulcasting revenue generated for purses under IC 4-31-9-2 by transmitting the signal of a host association to a location outside of the state of Indiana shall be allocated in full to purses to benefit the breed of horse at the host association that is providing the simulcasting signal. *(Indiana Horse Racing Commission; 71 IAC 12-2-16; emergency rule filed Mar 9, 1994, 2:50 p.m.: 17 IR 1630; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899)*

71 IAC 12-2-17 Allocation of interstate simulcasting revenue at a receiving one-breed association (Repealed)

Sec. 17. *(Repealed by Indiana Horse Racing Commission; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190)*

71 IAC 12-2-18 Allocation of interstate simulcasting revenue to purses

Authority: IC 4-31-3-9

Affected: IC 4-31-9-2

Sec. 18. (a) Revenue for purses generated from the simulcasting of out-of-state signals into the state shall be divided and applied forty-nine percent (49%) to standardbred purses, forty-nine percent (49%) to thoroughbred purses, and two percent (2%) to quarter horse purses statewide. This division shall apply irrespective of the number of tracks, the breed of the incoming signal, and the number of live race dates conducted for either breed. If more than one (1) track races a specific breed, purses for that breed shall be divided to the purse accounts of the tracks in question proportionally based upon the number of live race dates for that breed. The utilization of all monies transferred between tracks pursuant to this rule shall be in accordance with guidelines approved by the commission.

(b) Effective July 1, 2003, interstate simulcasting revenue generated for purses from simulcasting of out-of-state signals into the state by an association that races more than one (1) breed of horse shall be allocated to the purse accounts at that association as follows:

- (1) Forty-nine percent (49%) to standardbreds.
- (2) Forty-nine percent (49%) to thoroughbreds.
- (3) Two percent (2%) to quarter horses.

(Indiana Horse Racing Commission; 71 IAC 12-2-18; emergency rule filed Mar 9, 1994, 2:50 p.m.: 17 IR 1630; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2423; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190; emergency rule filed Feb 21, 2003, 4:15 p.m.: 26 IR 2388)

71 IAC 12-2-19 Allocation of breakage and outs

Authority: IC 4-31-3-9; IC 4-31-9-10

Affected: IC 4-31-11-10; IC 4-31-11-11

Sec. 19. All breakage and outs shall be distributed, irrespective of the number of tracks, between the standardbred breed development fund, thoroughbred breed development fund, and quarter horse breed development fund as established by the commission under IC 4-31-11-10 as follows:

- (1) Forty-eight percent (48%) to standardbred breed development.
- (2) Forty-eight percent (48%) to thoroughbred breed development; and
- (3) Four percent (4%) to quarter horse breed development.

(Indiana Horse Racing Commission; 71 IAC 12-2-19; emergency rule filed Feb 13, 1998, 10:00 a.m.: 21 IR 2424; readopted filed Oct 30, 2001, 11:50 a.m.: 25 IR 899; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190; emergency rule filed Aug 22, 2002, 12:41 p.m.: 26 IR 59, eff Jan 2, 2003; errata, 26 IR 382)

71 IAC 12-2-20 Allocation of simulcast revenue between associations

Authority: IC 4-31-3-9; IC 4-31-9-10

Affected: IC 4-31-11-10; IC 4-31-11-11

Sec. 20. (a) In a year in which more than one (1) association conducts live pari-mutuel racing, an association that simulcasts into its track or satellite facilities a breed of horse which it does not race an extended race meet shall share one-half (½) of its net retainage (after pari-mutuel taxes, host simulcast fees, and purses) on such wagering with any association that conducts live racing on said breed. Provided, however, that such sharing shall be limited to the track and/or any satellite facilities that are within twenty-five (25) miles of the other permit holder's track and/or satellite facilities.

(b) For the purpose of this rule, an association may race fewer than the number of days required of an extended race meet. However, such association shall share the net retainage pursuant to 71 IAC 12-2-20 *[this section]* on simulcast revenue on the breed of horse in which it does not conduct an extended race meet. The association shall retain that portion of the one-half (½) of its net retainage in *[subsection]* (a) above based on the percentage of the minimum number of days constituting an extended race meet actually raced. The balance shall be shared as described in *[subsection]* (a) above. (Example: If twenty (20) days are raced and the minimum number to qualify as an extended race meet is thirty (30) days, then sixty-six and sixty-seven hundredths percent (66.67%) shall be retained and thirty-three and thirty-three hundredths percent (33.33%) shall be shared.)

(c) Notwithstanding the minimum number of race days of an extended race meet, an association racing thoroughbreds and quarter horses for the first time in 2003, shall retain all simulcast revenue pursuant to this rule in 2003 by racing a minimum of twenty (20) days of thoroughbreds and quarter horses.

(d) A "race day", for purposes of this rule, shall be a minimum of eight (8) races per day for a particular breed of horse. For the purpose of this rule, the combination of thoroughbreds and quarter horses constitute a particular breed of horse. *(Indiana Horse Racing Commission; 71 IAC 12-2-20; emergency rule filed Nov 29, 2001, 1:20 p.m.: 25 IR 1190; emergency rule filed Sep 27, 2002, 2:31 p.m.: 26 IR 395)*

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