VIRGINIA RACING COMMISSION
Historical Horse Racing

CHAPTER 47
HISTORICAL HORSE RACING

11VAC10-47-10. Definitions.

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

"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.

"Independent testing laboratory" means a laboratory with a national reputation for honesty, independence, and timeliness that is demonstrably competent and qualified to scientifically test and evaluate devices for compliance with this chapter and to otherwise perform the functions assigned to it by this chapter. An independent testing laboratory shall not be owned or controlled by a licensee, the state, or any manufacturer, supplier, or operator of historical horse racing terminals.

"Integrity auditor" means a company that conducts periodic and regular tests on the validity of pari-mutuel wagering, deductions, and payouts for the applicable historical horse racing event, including the legitimacy of the event itself, and tests that the order of finish of the race selected in the game is valid, match to the order of finish that occurred empirically, and that all runners that were listed as entered into the race for the purposes of the game, legitimately ran in the race.

"Licensee" means 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 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. Pari-mutuel wagering; 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. This chapter shall exclusively govern all matters related to pari-mutuel wagering on historical horse racing.

11VAC10-47-30. Observance of regulations.

A licensee shall be charged with the observance and compliance with 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 licensee on the outcome of a historical horse race shall be $.10. The minimum payout on any wager shall not be less than the amount wagered.

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

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

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

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

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

3. Prior to the patron making wager selections, the terminal shall not display any information that would allow the patron to identify the historical race on which the patron is wagering, including the location of the race, the date on which the race was run, the names of the horses in the race, or the names of the jockeys who rode the horses in the race;

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

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

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

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

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

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

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

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

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

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

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

C. A licensee offering wagering on a historical horse race shall maintain pari-mutuel pools for each wager in a manner and method approved by the commission. The pari-mutuel pools shall be maintained and funded in a method approved by the commission to ensure that the amount available in the pari-mutuel pools at any given time is sufficient to ensure that a patron will be paid the minimum amount required on a winning wager.

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

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

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

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

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

1. The method of determining a game outcome;

2. Available wagering denominations;

3. Minimum wager amount;

4. Maximum wager amount;

5. The allocation of wagers into the pari-mutuel pool;

6. The amount of takeout for each wager;

7. The method of calculating winning payouts and breakage, where applicable;

8. Payout calculations set forth in sufficient detail to audit a payout through manual calculation;

9. The minimum payouts and the method of guaranteeing minimum payouts;

10. The method of mapping payouts to an entertaining display on the wagering terminal; and

11. Any other information provided to an independent testing laboratory for use in the testing of the pari-mutuel wagers.

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

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

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

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

B. The terminal shall:

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

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

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

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

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

a. The name of the manufacturer;

b. A unique serial number;

c. The terminal model number; and

d. The date of manufacture;

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

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

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

9. Have external doors that shall be locked and monitored by door access sensors. When the external doors are opened, the door access sensors shall (i) cause game wagering activity to cease, (ii) disable all currency acceptance, (iii) enter an error condition, (iv) illuminate the tower light at a minimum, and (v) record the error condition. The requirements of this subsection do not apply to the drop box door;

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

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

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

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

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

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

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

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

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

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

F. If critical memory is maintained in nonvolatile memory on the terminal and not by the server based system, then:

1. The terminal shall have the ability to retain data for all critical memory as defined in this section and shall be capable of maintaining the accuracy of the data for 30 days after power is discontinued from the terminal;

2. For rechargeable battery types only, if the battery backup is used as an off-chip battery source, it shall recharge itself to its full potential in a maximum of 24 hours. The shelf life of the battery shall be at least five years;

3. Nonvolatile memory that uses an off-chip backup power source to retain its contents when the main power is switched off shall have a detection system that will provide a method for software to interpret and act upon a low battery condition before the battery reaches a level where it is no longer capable of maintaining the memory in question. Clearing nonvolatile memory shall require access to the locked logic area or other secure method, provided that the method is approved by the commission; and

4. Following the initiation of a nonvolatile memory reset procedure, the game program shall execute a routine that initializes all bits in critical nonvolatile memory to the default state. All memory locations intended to be cleared as per the nonvolatile memory clear process shall be fully reset in all cases.

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

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

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

H. All terminals shall be equipped with a device, mechanism, or method for retaining the value of the meter information specified in 11VAC10-47-10 in the event of a loss of power to the terminal. Storage and retrieval of the accounting meters from a server is an acceptable method of retrieval.

I. Configuration setting changes shall not cause an obstruction to the meters.

J. If the terminal is in a test, diagnostic, or demonstration mode, any test that incorporates credits entering or leaving the terminal shall be completed prior to resumption of normal operation. In addition, there shall not be any mode other than normal wagering operation that debits or credits any of the electronic meters. Any wagering credits on the terminal that were accrued during the test, diagnostic, or demonstration mode shall be cleared before the mode is exited. Specific meters are permissible for these types of modes, provided the meters are clearly identified.

K. Terminals shall not allow any information contained in a communication to or from the online monitoring system that is intended to be protected, including validation information, secure PINs, credentials, or secure seeds and keys, to be viewable through any display mechanism supported by the terminal.

L. All program storage devices shall:

1. Be housed within a fully enclosed and locked logic compartment;

2. Validate themselves during each processor reset; and

3. Validate themselves the first time they are used.

M. Program storage devices that do not have the ability to be modified while installed in the terminal during normal operation shall be clearly marked with information to identify the software and revision level of the information stored in the devices.

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

1. The independent testing laboratory's software may be embedded within the game software, utilize an interface port to communicate with the terminal, or require the removal of terminal media for external verification.

2. Each terminal used for wagering on historical horse races shall be tested by the independent testing laboratory to ensure its integrity and proper working order. This evaluation shall include a review of installed software prior to implementation and periodically within a timeframe established by the commission.

3. The licensee shall pay the cost of the independent testing laboratory's review and testing, and the reports of the same shall be delivered to the licensee and the commission.

4. To ensure the integrity of pari-mutuel wagering and validity of the race results, the licensee shall permit an integrity auditor, selected and paid for by the commission, complete access to review and monitor the integrity, security, and operation, including all race and handicapping data used in order to detect any compromise of or anomalies that would allow a player to have an unfair advantage.

5. The integrity auditor shall be in a position to extract actual data and use a statistically significant portion of this data applied to quality assurance testing and assess the validity of the vendor's management reporting by cross-referencing to a body of raw source information to determine correctness. The integrity auditor shall have experience and expertise involving all components of pari-mutuel wagering and totalizator systems.

6. The integrity auditor will collect and provide wagering data and reports from the licensee's vendor. This shall include pari-mutuel commission and liability reports for analysis and verification of the amounts wagered, payouts, takeout, and taxes in addition to all transactional data logs and reports daily as specified by the integrity auditor.

7. The licensee shall provide access to the integrity auditor to conduct periodic onsite inspections and terminal audits at licensed racetracks and satellite wagering facilities with assistance from the vendor. The licensee shall supply advanced notification, when possible, of at least 30 calendar days of all new game products, changes in the composition of the historic horse races in the library, any changes to reporting or the method of provision of those reports, and any adverse or unusual occurrences relating to the operation of play or payouts to the integrity auditor.

O. Winning pari-mutuel wagers shall be processed according to U.S. Internal Revenue Service reporting requirements for the taxation of pari-mutuel horse racing. If a winning amount is in excess of the thresholds established in the Internal Revenue Service reporting requirements, the terminal shall cease operation and require attendant interaction to proceed.

P. Terminals shall be capable of detecting and displaying the following errors:

1. Open door conditions;

2. Nonvolatile memory errors;

3. Low nonvolatile memory battery for batteries external to the nonvolatile memory itself for low power source;

4. Program error or authentication mismatch;

5. Display device errors; and

6. The identification of an invalid bill or voucher.

Q. Detection of terminal error conditions must result in actions to protect the integrity of the game. Following detection of an error condition:

1. The terminal shall secure itself and it shall:

a. Cause the terminal to cease play and require attendant intervention prior to returning to normal play;

b. Cause the terminal to display an appropriate error message;

c. Disable bill and voucher acceptance;

d. Sound an alarm, illuminate the tower light, display the error on screen, or any combination of the three;

e. Be communicated to an online monitoring and control system;

f. Be displayed on a terminal; and

g. Cause the terminal to remain in error mode if the terminal is powered down with an unresolved error condition, unless power down is used as a part of the error reset procedure.

2. Upon resolution of an error condition, a terminal may return to a wager completion state, provided the game history, wagering credits, and other meters display the completed wager properly.

R. Terminals shall not be adversely affected by the simultaneous or sequential activation of various terminal inputs and outputs.

S. Test, diagnostic, or demonstration modes on a terminal shall:

1. Be entered only from an attendant following appropriate instructions;

2. Not be accessible to a patron; and

3. Be indicated on the terminal via an appropriate message.

T. Upon exiting from test, diagnostic, or demonstration mode, a terminal shall return to its previous state.

U. Video monitor touch screens on terminals shall:

1. Be accurate within one millimeter of the center of a physical input;

2. Be able to be calibrated without access to the terminal cabinet other than opening the main door, and once calibrated shall maintain accuracy for at least the video touch screen manufacturer's recommended maintenance period; and

3. Have no hidden or undocumented buttons or touch points anywhere on the screen that affect wagering or that impact the outcome of the game, except as provided by the game rules.

V. Paper currency acceptors used in a terminal shall:

1. Be electronically based;

2. Detect the entry of bills or vouchers inserted into the paper currency acceptor and provide a method to enable the terminal software to interpret and act appropriately upon a valid or invalid input;

3. Be configured to ensure the acceptance of only valid bills or vouchers and reject all other items;

4. Return to the patron all rejected bills or vouchers, and any other item inserted into the acceptor;

5. Be constructed in a manner that protects against vandalism, abuse, or fraudulent activity;

6. Register the actual monetary value or appropriate number of wagering credits received for the denomination used on the patron's credit meter for each valid bill or voucher;

7. Register wagering credits only when the bill or other note has passed the point where it is accepted or stacked and the acceptor has sent an "irrevocably stacked" message to the terminal;

8. Be designed to prevent the use of fraudulent crediting, the insertion of foreign objects, and any other fraudulent technique;

9. Implement a method of detecting counterfeit bills;

10. Only accept bills or vouchers when the terminal is enabled for play;

11. Have the capability of detecting and displaying any supported error conditions;

12. Shall communicate with the terminal using a bi-directional protocol;

13. Be located in a locked area of the terminal that requires the opening of the main door for access. The paper currency acceptor shall not be located in the logic area. Only the bill or voucher insertion area shall be accessible by the patron;

14. Have a secure stacker that shall:

   a. Deposit into the stacker all accepted items;

   b. Be attached to the terminal in such a manner that it cannot be easily removed by physical force; and

   c. Have a separate keyed lock to access the stacker area. The keyed lock shall be separate from the main door, and a separate keyed lock shall be required to remove the bills from the stacker; and

15. Have a bill validator that shall:

   a. Retain in its memory and have the ability to display the information required of the last 25 items accepted by the bill validator;

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

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

W. Available wagering credit may be collected from the terminal by the patron at any time other than during:

   1. A game being wagered;

   2. Audit mode;

   3. Test mode;

   4. A credit meter or win meter increment; or

   5. An error condition.

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

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

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

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

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

    d. The terminal number; and

    e. A unique ticket or voucher validation number.

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

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

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

Y. Terminals shall be capable of displaying wager recall, which shall:

1. Include the last 50 wagers on the terminal;

2. Be retrievable on the terminal via an external key-switch or other secure method not available to the patron; and

3. Provide all information required to fully reconstruct the wagers, including:

    a. Initial credits or ending credits associated with the wager,

    b. Credits wagered;

    c. Credits won;

    d. Entertaining game display symbol combinations and credits paid whether the outcome resulted in a win or a loss;

    e. Representation in a graphical or text format;

    f. Final wager outcome, including all patron choices and all bonus features; and

    g. As an optional feature, display of values as currency in place of wagering credits.

Z. Server-stored information shall be backed up no less often than once per day to an offsite storage facility controlled by the licensee. Offsite storage may include storage through a cloud service provider if approved by the commission. The server and offsite backup storage shall be accessible to the commission and subject to third-party checks and validation as provided in subsection N of this section.

11VAC10-47-90. Requirements for tickets or vouchers used in historical horse racing.

A. Terminals shall not dispense currency. Payment to patrons shall only be accomplished by means of a printed voucher.

B. All vouchers shall contain the following printed information at a minimum:

1. Licensee name and site identifier, which may be contained on the ticket stock itself;

2. Terminal number or cashier booth location;

3. Date and time stated in a 24-hour format according to the local time zone;

4. Alpha and numeric dollar amount;

5. Ticket or voucher sequence number;

6. Validation number;

7. Bar code or any machine-readable code representing the validation number;

8. Type of transaction or other method of differentiating voucher types. If the voucher is a noncashable item, the ticket shall explicitly express that it has "no cash value"; and

9. The expiration period from date of issue, or date and time the ticket or voucher will expire in a 24-hour format according to the local time zone. This information may be contained on the ticket stock itself. Payment on valid pari-mutuel tickets, including tickets where refunds are ordered, shall be made only upon presentation and surrender of valid pari-mutuel tickets to the licensee within 180 days after the purchase of the ticket. Failure to present any valid pari-mutuel ticket to the licensee within 180 days after the purchase of the ticket shall constitute a waiver of the right to payment.

C. A system approved by the commission shall be used to validate the payout ticket or voucher. The ticket or voucher information on the central system shall be retained for two calendar years after a voucher is valid at that location.

D. Payment by voucher as a method of credit redemption shall only be permissible when the terminal is linked to a computerized voucher validation system that is approved by the commission.

E. The validation system must be able to identify a duplicate ticket or voucher to prevent fraud.

F. Terminals must meet the following minimum requirements to incorporate the ability to issue offline vouchers after a loss of communication has been identified by a wagering terminal:

1. The wagering terminal shall not issue more offline vouchers than it has the ability to retain and display in the wagering terminal maintained voucher-out log;

2. The wagering terminal shall not request validation numbers used in the issuance of vouchers until all outstanding offline voucher information has been fully communicated to the voucher validation system;

3. The wagering terminal shall request a new set of validation numbers used in the issuance of online or offline vouchers if the current list of validation numbers has the possibility of being compromised, which shall include:

a. After power has been recycled, or

b. Upon exit of a main door condition; and

4. Validation numbers must always be masked when viewable through any display supported by the wagering terminal such that only the last four digits of the validation number are visible.

G. Vouchers may be inserted in any terminal participating in the validation system providing that no credits are issued to the terminal prior to confirmation of voucher validity.

H. The offline voucher redemption may be validated as an internal control process at the specific terminal that issued the voucher. A manual handpay may be conducted for the offline voucher value.

11VAC10-47-100. Accounting and occurrence meter requirements.

A. The required accounting meters are as follows:

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

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

3. Attendant paid jackpot, which accumulates the total value of credits paid by an attendant resulting from a single wager, the amount of which is not capable of being paid by the wagering terminal itself;

4. Attendant paid canceled credit, which accumulates the total value paid by an attendant resulting from a patron-initiated cashout that exceeds the physical or configured capability of the terminal to make the proper payout amount;

5. Bill in, which accumulates the total value of currency accepted. Each wagering terminal shall have a specific occurrence meter for each denomination of currency accepted that records the number of bills accepted of each denomination;

6. Voucher in, which accumulates the total value of all wagering terminal vouchers accepted by the device;

7. Voucher out, which accumulates the total value of all wagering terminal vouchers issued by the device;

8. Noncashable electronic promotion in, which accumulates the total value of noncashable credits from vouchers accepted by the terminal;

9. Cashable electronic promotion in, which accumulates the total value of cashable credits from vouchers accepted by the terminal;

10. Noncashable electronic promotion out, which accumulates the total value of noncashable credits issued to vouchers by the device; and

11. Cashable electronic promotion out, which accumulates the total value of cashable credits issued to vouchers by the device.

B. Additional required occurrence meters are as follows:

1. Cashable promotional credit wagered, which accumulates the total value of promotional cashable credits that are wagered;

2. Games wagered, which accumulates the number of wagers placed; and

3. Games won, which accumulates the number of wagers resulting in a win to the patron.

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

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

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

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

G. Any time the meter exceeds 10 digits or after 9,999,999,999 has been exceeded, the meter must roll over to zero.

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

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

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

1. The total monetary value of all items accepted on the terminal;

2. The total number of all items accepted on the terminal;

3. For bills accepted, the number of bills for each bill denomination; and

4. For all other notes accepted, the number of notes accepted by note amount.

K. Meters can be on the server instead of the terminal.

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

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

B. All historical horse races must be chosen at random from a database of actual historical horse races. All races in the database shall have a valid historical horse race result with details recorded at the same level as other races in the database, and shall include:

1. Horse names;

2. Race location;

3. Race date; and

4. Jockey name.

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

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

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

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

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

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

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

1. The patron's current credit balance in currency or credits;

2. The current bet amount;

3. The amount won for the last completed game until the next game starts or betting options are modified;

4. The patron options selected for the last completed game until the next game starts or a new selection is made; and

5. A disclaimer stating "Malfunction Voids All Pays" or some equivalent wording approved by the commission. This may be presented as a permanent sign on the terminal.

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

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

1. The initiation of a bonus or free game shall only be based on the result of the wager placed by the patron on the result of the historical horse race selected for the wager;

2. The bonus or free game shall not require additional money to be wagered by the patron;

3. The entertaining display shall make it clear to the patron that the patron is in bonus mode to avoid the possibility of the patron unknowingly leaving the wagering terminal while in a bonus mode; and

4. If the bonus or free game requires an input from the patron, the terminal shall provide a means to complete the bonus or free game from a touch screen or hard button.

H. Electronic metering displays shall:

1. At all times include all credits or cash available for the patron to wager or cash out unless the terminal is in an error or malfunction state. This information is not required when the patron is viewing a menu or help screen item;

2. Reflect the value of every prize at the end of a wager and add it to the patron's credit meter, except for handpays; and

3. Show the cash value collected by the patron upon a cashout unless the terminal is in an error or malfunction state.

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

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

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

1. Current values of each pari-mutuel wagering pool;

2. Total amounts wagered for all pools;

3. Total amounts won by patrons for all pools;

4. Total commission withheld for all pools;

5. Total breakage for all pools, where applicable;

6. Total amount wagered at each terminal;

7. Total amount won by patrons at a terminal;

8. The amount wagered on each mathematical model configuration and the amount won from each mathematical model configuration offered at a terminal;

9. Total amount of each type of financial instrument inserted into a terminal;

10. Total amount cashed out in voucher or handpays at a terminal; and

11. Taxable win events including:

a. Time and date of win;

b. Wagering terminal identification number;

c. Amount wagered resulting in taxable win;

d. Taxable amount won; and

e. Withholding amount.

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

11VAC10-47-140. Permits required.

All racing officials employed in a satellite facility or at a significant infrastructure facility that offers pari-mutuel wagering on historical horse racing shall apply for permits under the provisions of 11VAC10-50. All participants employed in such facilities shall apply for permits under the provisions of 11VAC10-60.

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

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

11VAC10-47-160. Required information.

An application for a license to conduct pari-mutuel wagering on historical horse racing shall contain the materials and information specified in 11VAC10-40-130 through 11VAC10-40-280. The applicant may reference its materials provided for a satellite facility license or significant infrastructure limited license as part of its application for a license to offer pari-mutuel wagering on historical horse racing. The application shall also contain detailed information on the games to be offered by the applicant, including information demonstrating compliance with the requirements of this chapter. After review of the application, the executive secretary may request the applicant provide additional information, which the applicant shall promptly tender to the commission. Failure to provide information contained in this chapter, or as requested by the commission, shall be grounds for the commission to deny the request for a license to conduct pari-mutuel wagering on historical horse racing.

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

A license for conducting pari-mutuel wagering on historical horse racing shall be effective for one calendar year or so long as the licensee shall hold a significant infrastructure limited license or satellite facility license for the particular location, whichever is shorter. A licensee may not transfer its license, or assign responsibility for compliance with the conditions of its license, to any party, including, without limitation, a transfer of effective control of the licensee, without commission approval.

11VAC10-47-180. Simulcast operations.

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

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

2. Any licensee must provide the following minimum simulcast offerings:

a. An average daily simulcast schedule of not less than 14 racetracks, unless otherwise approved by the commission for a specific facility;

b. At least two tellers dedicated to simulcast wagering, or one teller for every 200 historical horse racing terminals at the satellite facility, whichever number is greater; and

c. At least 20 self-service tote machines dedicated to simulcast wagering at each satellite facility, unless otherwise approved by the commission for a specific facility.

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

4. The commission may authorize a licensee to provide historical racing terminals at a satellite facility located in a jurisdiction with valid and unexpired referenda on pari-mutuel wagering in accordance with the following limits on the total number of historical racing terminals located in such jurisdiction:

a. Up to 700 terminals in a jurisdiction with a population of 120,000 or greater;

b. Up to 300 terminals in a jurisdiction with a population between 60,000 and 120,000; and

c. Up to 150 terminals in a jurisdiction with a population of 60,000 or less.

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

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

6. In no circumstance shall the total number of historical racing terminals located in a jurisdiction set forth in subdivision 4 of this section exceed 25% of the total limit for such jurisdiction absent formal approval by the relevant city or town council or county board of supervisors of the jurisdiction.

7. In no circumstance shall the combined statewide total number of historical racing terminals located at satellite facilities and significant infrastructure facilities exceed 3,000.

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

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

1. For each calendar year, a licensee in accordance with 11VAC10-20-200 shall submit to the commission a request for live racing days at its significant infrastructure facility that includes at least:

a. Fifteen days of live racing, consisting of not less than six races per day; or

b. One day of live racing, consisting of not less than six races per day, for every 100 historical racing terminals installed at such facility together with any satellite facility owned, operated, controlled, managed, or otherwise affiliated directly or indirectly with such licensee, whichever number shall be greater.

2. In no circumstance shall the total number of historical racing terminals at any significant infrastructure facility exceed 700 terminals.

3. Live racing dates shall be assigned by the commission and conducted in accordance with the procedure in 11VAC10-20-220.

11VAC10-47-200. Responsible gaming.

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

1. Posting in a conspicuous place in every place where pari-mutuel wagering on historical horse racing is conducted a sign that bears a toll-free number approved by the Virginia Council on Problem Gambling or other organizations that provide assistance to problem gamblers;

2. Providing informational leaflets or other similar materials at the licensee's facilities on the dangers associated with problem gambling;

3. Including in the licensee's promotional and marketing materials information on problem gambling and organizations that provide assistance to problem gamblers;

4. Routine auditing of patron activity to identify patrons who have suffered significant financial losses in repeated visits to the licensee's facilities and providing such patrons with information on organizations that provide assistance to problem gamblers;

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

6. Partnership with the Virginia Council on Problem Gambling, the National Council on Problem Gambling, or other similar organization to identify and promote best practices for preventing problem gambling;

7. Training for all employees who have contact with patrons as well as administrative and corporate staff members that shall include skills and procedures to respond to situations where a patron exhibits warning signs of a gambling problem or where a patron discloses they may have a gambling problem. Such employees and staff should be trained immediately upon their hiring and retrained and tested regularly; and

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

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

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

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