

[REVISED MATERIALS AS OF 10/25/2023](#)



**TEXAS RACING COMMISSION**  
**1801 N. Congress Avenue, Suite 7.600**  
**Austin, TX 78701**  
**(512) 833-6699**  
**Fax (512) 833-6907**

Monday, October 30, 2023  
9:00 a.m. - 12:00 p.m.  
George H W Bush Building  
Conference Room 7.102  
Austin, Texas 78701

## **RULES REVIEW COMMITTEE AGENDA**

### **I. CALL TO ORDER**

### **II. PUBLIC COMMENT**

### **III. PROCEEDINGS ON RULES**

#### **A. Discussion on proposed rule amendments for the 2024 Racing Season.**

1. 16 TEX. ADMIN. CODE §311.101, Subchapter B, Horse Owners
2. 16 TEX. ADMIN. CODE §311.2, Application Procedure
3. 16 TEX. ADMIN. CODE §313.501, Training Facility License
4. 16 TEX. ADMIN. CODE §313.504, Operational Requirements.
5. 16 TEX. ADMIN. CODE §313.505, Workout Requirements.
6. 16 TEX. ADMIN. CODE §321.1, Definitions and General Provisions
7. 16 TEX. ADMIN. CODE §321.605, E-Wagering Plan
8. 16 TEX. ADMIN. CODE §321.21 Certain Wagers Prohibited
9. 16 TEX. ADMIN. CODE §321.413, Duties of Guest Racetrack

### **V. ADJOURN**



**EXECUTIVE SUMMARY**  
***Expedited Proposed Rules***  
 October 25, 2023

Background: During the 88<sup>th</sup> Legislative Session, the Sunset Commission bill, Senate Bill 1620 modified the Texas Racing Act effective September 1, 2023. The summary of changes in the Texas Occupations Code, Chapters 2021-2025 are outlined below, along with a summary of the proposed expedited conforming rule amendments:

Agency Operations

- Agency sunset date extended from September 1, 2027, to September 1, 2029.
- Agency authorized to allow to apply for and accept grants.
- Agency authorized an increase in the biennial cash revenue carryover from \$750K to \$2M.
- Repeals General Revenue repayment with interest impediment.

Licensing Program

- Requires agency to follow Texas Occupations, Chapter 53 licensing procedures.
- Aligns Texas Racing Commission licensing program with all other state agencies in Texas.
- Repeals Section 2025.260 (related to Chapter 53 requirements), which read: "**Sec. 2025.260. Temporary Licenses.** (a) Pending investigation of an applicant's qualifications to receive an original or renewal license, the commission may issue a temporary license to an applicant under this subchapter whose application appears to comply with the requirements of law and who has paid the necessary fee. (b) The temporary license is valid for a period not to exceed 120 days following the date of issuance. "

Proposed Expedited Rule Amendments (Based on Statutory Changes):

- 16 TAC 311.101 (Horse Owners). Repeals Emergency Licensing Language (conflicts with statute)
- 16 TAC 311.2 (Application Submission). Align licensing process with Chapter 53 criminal background and due process requirements.

Additional Proposed Rule Amendments for the 2024 Racing Season:

- 16 TAC 313.501-505 (Training Facilities). Increases equine and human safety protocols.
- 16 TAC 321. (E-Wagering) Allows a more diverse audience to participate in wagering activities at licensed racetracks.

REVISED MATERIALS AS OF 10/25/2023**I. PROCEEDINGS ON RULES**

A. Discussion and possible action to publish proposed rule amendments in the Texas Register:

1. 16 TEX. ADMIN. CODE §311.101, Subchapter B, Horse Owners
2. 16 TEX. ADMIN. CODE §311.2, Application Procedure

**PROPOSED RULE LANGUAGE FOR TEXAS REGISTER BASED ON  
88TH LEGISLATIVE SESSION CHANGES TO THE TEXAS RACING ACT**

## (a) General Provisions.

(1) The owner of a horse, as listed on the animal's registration paper, must obtain an owner's license from the Commission, as set forth in 16 TAC § 309.4. Except as otherwise provided by §313.301(a)(2) of this title (relating to Officials and Rules of Horse Racing), a person may not be licensed as an owner if the person is not the owner of record of a properly registered horse that the person intends to race in Texas. A person who meets the qualifications for a trainer's or assistant trainer's license may also be licensed as an owner if the person intends to be the owner of record of a properly registered horse during the time of licensure. Except as otherwise provided by this subsection, the owner **or designated trainer acting on behalf of the owner**, must be licensed **as an owner or trainer** ~~one hour prior to the post time of the first race of the day in which the owner intends to race the animal~~ **before making a request to enter a horse eligible under 16 TAC § 313.103.**

(2) If the owner is not an individual, each individual who is a director, officer, or partner of the owner or who has an ownership interest in the horse of 5.0% or more must be licensed by the Commission.

(3) If the owner is not an individual, the owner must provide to the Commission:

- (A) a sworn statement by the chief executive officer of the owner or by one of the partners of the owner that the officer or partner represents the owner and is responsible for the horse;
- (B) a statement that the owner is authorized by law to do business in Texas; and
- (C) a list of the names and addresses of all individuals having an ownership interest in the horse.

(4) If the owner is not an individual, the ownership entity must:

- (A) designate a representative; or
- (B) file an authorized agent form with the Commission and pay the prescribed fee.

(5) If the registered owner of a horse is a minor, a financial responsibility form approved by the executive director must be signed by the parent or guardian of the owner assuming financial responsibility for the debts incurred for the training and racing of the horse.

## (b) Stable Names.

(1) An owner that wants to participate in racing using a stable name must register with the Commission by filing an application on a form prescribed by the executive secretary and paying the prescribed fee. A person may not use the real name of an owner of a race animal as a stable name. A stable name which has already been registered with the Commission may not be registered by another owner.

(2) Registering a stable name with the Commission does not affect a person's obligation to file or register a fictitious name as provided by the laws of Texas.

(3) An application to register a stable name must disclose the real names of all interests participating in the stable and the percentage of ownership interest of each, including the interest owned by a corporation, general partnership, limited partnership, trust, estate or individual.

(4) A stable name may be changed by registering a new stable name. A stable name may be abandoned by giving written notice to the Commission. A change of 5.0% or more in ownership of a stable registered under a stable name shall be immediately reported to the Commission.

(5) A licensee who has registered a stable name under this section may not use the licensee's real name for racing purposes except on approval of the stewards.

## (c) Change of Ownership.

(1) If the owner of an interest in a horse housed on an association's grounds transfers that interest to <sup>10/25/2023</sup>

## REVISED MATERIALS AS OF 10/25/2023

16 TAC 311.101. Horse Owners. 16 TAC 211.2 Application Procedure  
*Repealed Language Annotated in Strikethrough. Added Language in Red Bold Text.*  
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another person, both parties to the transaction shall give written notice of the transfer to the stewards officiating for that association. Notice under this section must be submitted to the appropriate officials not later than 24 hours after the agreement to transfer the interest is made.

(2) A licensee of the Commission may not transfer an ownership interest in a horse to avoid disqualification of the horse.

(d) Change of Trainer. An owner may change the trainer of his or her horse registered at a licensed race meeting provided:

(1) the request to change trainers is submitted for approval to the stewards on a form ~~provided by the association and approved by~~ **the Executive Director**;

(2) the trainer from whom the horse is being transferred signs the form releasing custody of the horse;

(3) the trainer to whom the horse is being transferred signs the form accepting responsibility for the horses; and

(4) the stewards approve the transfer.

(e) Owner/Trainer. A person licensed as an owner/trainer who is training horses at a racetrack may not have any horse owned by the owner/trainer under the care, custody or control of another trainer at that racetrack.

(f) Restrictions on Racing. An owner may not enter a horse or cause a horse to be entered in a race at a racetrack if:

(1) the owner or trainer is employed by the racetrack association in a management or supervisory position that is capable of affecting the conduct of races or pari-mutuel wagering at the racetrack; or

(2) the owner or trainer is involved in any way with the sale or publication of tip sheets on association grounds.

~~(g) Emergency License.~~

~~—(1) If an owner is unable to complete an application for an owner's license because of absence or illness, the licensed trainer desiring to enter a horse in a race may apply for an emergency owner's license on behalf of the absent owner.~~

~~—(2) The trainer applying for an emergency owner's license on behalf of an absent owner must submit a written statement with the license application specifying the reasons the owner is unable to complete the application.~~

~~—(3) The trainer applying for an emergency owner's license must submit at least the following information: the owner's full name, home or business address, and telephone number. At the time of application, the appropriate licensing fee must be paid to the Commission. Failure to provide all of the foregoing information is grounds for denial of an emergency owner's license.~~

~~—(4) If an owner submits an incomplete application for an owner's license, the application will remain in pending status until:~~

~~—(A) the owner submits any additional information required to process the application;~~

~~—(B) the application expires in accordance with the term of the applied for license; or~~

~~—(C) a horse is entered in the owner's name or in the name of a multiple owner of which the owner is a member, in which case the pending license will be presumed to be a request for an emergency license.~~

~~—(5) A license issued under this section expires on the 21st day after the date the emergency owner's license is issued. An owner may obtain only one emergency license per year. An emergency license cannot be issued if the owner failed to complete the prior licensing process.~~

~~—(6) An owner granted an emergency license is prohibited from withdrawing any funds from his/her horseman's bookkeeper account until the owner complies with all licensing procedures provided by subsection (a) of this section.~~

**Revised 10/25/23: 16 TAC 311.101. Horse Owners. 16 TAC 211.2 Application Procedure  
 Repealed Language Annotated in Strikethrough. Added Language in Red Bold Text.  
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**Sec. 311.2. Application Procedure.**

(a) General Requirements. To request a license from the Commission, a person must apply to the Commission on forms prescribed by the executive ~~secretary~~**director**.

(b) Application Site. **Submission.**

(1) Except as provided in paragraphs (2) and (3) of this subsection, ~~a~~**An** applicant for an occupational license must file the appropriate application form and related documents at the licensing office at a licensed racetrack, **or through an online process established by the executive director. All applicants are required to submit fingerprints for identity verification and criminal history records evaluation. Applicants may request a criminal history evaluation letter prior to submitting an application and are entitled to notice and an opportunity to respond to eligibility determinations made based on criminal history records in accordance with Chapter 53, Texas Occupations Code.**

(2) An applicant for the following occupational license types may file the appropriate application form and related documents by mail to the main office of the Commission in Austin; kennel owner, kennel owner/owner, kennel owner/owner/trainer, kennel owner/trainer, owner, owner/trainer, trainer, multiple owner/stable/farm registration, training facility employee, and training facility general manager/CEO.

(3) An applicant for an occupational license that is available through the Texas OnLine portal may submit the required application information through the Texas OnLine portal.

**I. PROCEEDINGS ON RULES**

A. Discussion and possible action to publish proposed rule amendments in the Texas Register:

3. 16 TEX. ADMIN. CODE §313.501, Training Facility License
4. 16 TEX. ADMIN. CODE §313.504, Operational Requirements.
5. 16 TEX. ADMIN. CODE §313.505, Workout Requirements.

**PROPOSED RULE LANGUAGE FOR TEXAS REGISTER INCREASES SAFETY  
PROTOCOLS FOR TRAINING FACILITY ACTIVITIES CONDUCTED TO PREPARE FOR  
LIVE RACING EVENTS**

### Sec. 313.501. Training Facility License

(a) A training facility must be licensed by the ~~Commission~~ **Executive Director** in accordance with this section to provide official workouts. Except as otherwise provided by this subchapter, an official workout obtained at a training facility licensed under this section satisfies the workout requirements of §313.103 of this title (relating to Eligibility Requirements).

(b) A training facility license expires ~~one~~ **two** years after the last day of the month in which the license was issued. ~~An applicant for a training facility license must submit with the application documents the license fee of \$1,800.~~

(c) A training facility license is personal to the licensee and may not be transferred.

**(d) A Class 1 racetrack licensed by the Commission may also operate a training facility without an additional license requirement if the racetrack association operating the Class 1 racetrack submits a request for training facility dates with its annual race date application form and the request is approved by the Executive Director.**

### Sec. 313.504. Operational Requirements.

(a) The primary business of a training facility must be the training of racehorses. The training facility must be available to provide official workouts on a schedule approved by the executive ~~secretary~~ **director**, but at least three days per week.

(b) A training facility licensee shall prohibit any wagering at the facility and shall promptly eject any person who is found to be wagering. **All training facilities located at licensed racetracks must have an e-wagering plan approved by the Executive Director as set out in Sec. 321.603 at least 14 days before the first official work is scheduled to begin.**

(c) A training facility licensee shall ensure that veterinary services and facilities are available to the training facility in close enough proximity to permit a response time of one hour or less. The veterinary services and facilities are subject to the approval of the Executive ~~secretary~~ **Director**.

**(d) A training facility licensee shall comply with the requirements of Sec. 309.117, and First Aid and Sec. 309.254.**

(d) A training facility licensee shall maintain records regarding the management and operation of the training facility and the records are subject to inspection by the executive ~~secretary~~ **director**. A training facility licensee shall cooperate fully with the ~~Commission, the executive secretary~~ **director and agency staff**, and the Department of Public Safety in the regulation of training facilities and shall ~~promptly provide any information requested by the Commission, the executive secretary, or the Department of Public Safety.~~



(e) A training facility licensee shall post ~~in a prominent place~~ **a condition book approved by the executive director with any conditions imposed by the racetrack association along with** a list of the dates and times that official workouts may be obtained.

(f) A training facility licensee shall comply with all the requirements of this subchapter. Failure to continuously comply with those requirements is grounds for disciplinary action by the ~~Commission~~ **Executive Director**, including suspension or revocation of the training facility license.

(g) The facilities and operations of a licensed training facility are subject to inspection and verification by the executive ~~secretary~~ **director** at any time. If the executive ~~secretary~~ **director** determines that inappropriate or unsafe conditions exist at the training facility or that the integrity of workouts obtained at the facility are in question, the executive ~~secretary~~ **director** may immediately notify the pari-mutuel racetracks in this state that workouts obtained at the facility may not be accepted as official workouts. The executive ~~secretary~~ **director** shall notify the general manager ~~or chief executive officer~~ of the licensed training facility of the executive ~~secretary's~~ **director's** findings and specifically describe the corrective action necessary to make the facility's workouts official, to rectify the inappropriate condition, or to make the conditions safe. The training facility may take the necessary corrective action or request a hearing **with the Commission** on the executive ~~secretary's~~ **director's** findings.

(h) A training facility licensee may not, **unless otherwise approved by the Executive Director:**

- (1) conduct a race at its facility; or
- (2) allow its facility to be used for a race.

### Sec. 313.505. Workout Requirements

(a) All official workouts must be supervised by the following officials, who must be licensed and approved by the executive ~~secretary~~ **director**:

- (1) a timer/clocker;
- (2) a horse identifier; and
- (3) a starter, **and an assistant starter.**
- (4) **two outriders to address track safety issues.**

(b) The person riding a horse in an official workout must hold a valid ~~Commission~~ license as a jockey, apprentice jockey, ~~or exercise rider, or as the~~ trainer, or assistant trainer of the horse.

(c) The horse identifier shall identify each horse before each official workout. The original registration papers for each horse that is to work, or a copy that satisfies the horse identifier, must be submitted to the horse identifier before the horse's initial workout at the facility to permit the identifier to record the horse's color, gender, markings, and tattoo number, if applicable. The horse identifier shall inspect all documents of ownership, registration, or breeding necessary to ensure the proper identification of the horse. The identification procedures used at the training facility are subject to the approval of the

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executive secretary **director**. The individual serving as the horse identifier may serve as timer or starter also, with the approval of the executive secretary. The timer may not serve as the starter.

(d) A training race conducted at a licensed pari-mutuel racetrack may be used as an official workout.

The distance of an official workout must be at least:

- (1) 220 yards for a quarter horse;
- (2) two furlongs, for a two-year old thoroughbred; and
- (3) three furlongs, for a thoroughbred three years of age or older.

(e) A workout must be timed on a stopwatch that is accurate to within .01 of a second. Times for quarter horses shall be rounded to tenths of one second and times for thoroughbred horses shall be rounded to fifths of one second.

(f) An individual may not ride a horse in an official workout unless the individual is wearing a properly fastened helmet of a type approved by the executive secretary **director**.

(g) Each official workout must be recorded on a form prescribed by the executive secretary. Not later than 24 hours after the day of an official workout, a training facility shall transmit the results of the workout to:

- (1) the official past performance publisher;
- (2) the ~~Commission~~ **the Executive Director**; and

(3) each pari-mutuel horse racetrack in this state that is:

- (A) conducting a live race meeting for the same breed of horse as the horse that was worked; or
- (B) will, in 45 days or less after the date of the workout, commence a live race meeting for the same breed of horse as the horse that was worked.

(h) A horse may not have more than one official workout on a calendar day.

## II. PROCEEDINGS ON RULES

A. Discussion and possible action to publish proposed rule amendments in the Texas Register:

6. 16 TEX. ADMIN. CODE §321.1, Definitions and General Provisions
7. 16 TEX. ADMIN. CODE §321.605, E-Wagering Plan
8. 16 TEX. ADMIN. CODE §321.21 Certain Wagers Prohibited
9. 16 TEX. ADMIN. CODE §321.413, Duties of Guest Racetrack

### **PROPOSED RULE LANGUAGE FOR TEXAS REGISTER RECOMMENDED TO MODERNIZE E-WAGERING TECHNOLOGY**



TEXAS HORSE RACING  
HALL of FAME

October 11, 2023

Texas Racing Commission  
1801 N. Congress, Suite 7.600  
Austin, TX 78701  
Attn: Amy Cook, Executive Director

Director Cook,

We are writing to ask for consideration of the attached updates to commission rules related to the uses of technology accessible to patrons at our Texas horse racing tracks.

In 2022, the Texas Horse Racing Hall of Fame commissioned a study to better understand how the industry might attract new fans to the sport - specifically fans in the 25-45 age group. This study resulted in a three-year plan for the industry to implement with the goals of elevating Texas racing among this demographic by educating them on the rich traditions of the sport in our state, developing their knowledge of how they can participate in the sport, and helping remove current barriers to entry that reduce the likelihood of this demographic embracing the sport.

One primary barrier to entry that was discovered in this process is that the current rules inhibit the uses of technologies that this target demographic utilizes in all aspects of their lives, and therefore makes it more difficult and sometimes intimidating for them to learn about the horses and make wagers at the track. As such, we are proposing an update to current rules that would help remove these technological barriers to entry, and allow for greater ease of access to the sport as we continue to invest in introducing new fans to Texas racing.

Below we provide a brief summary of the rules updates for consideration. It is important to note that the following suggested updates aim to ensure the industry continues to operate clearly within the existing statute, would not allow wagers to be placed outside of the existing racetrack enclosure, and still allow for full oversight and approval of any e-wagering plan by the Executive Director prior to operation:

Sec. 321.1. Definitions and General Provisions.

This change simply clarifies that it is a licensed tote vendor that takes the cash and wagers. The current language could create some ambiguity should there be multiple licensed tote vendors approved for operation at a track. The Closed-Loop Subscriber-Based System is an industry standard definition for industry products that allow patrons to access wagering on races from mobile devices. It allows for the easy creation of a wagering account, verification of age and location/necessary geo-tracking and

appropriate banking security. Use cases for this would be the utilization of the technologies developed through widely accepted e-wagering platforms at Texas tracks. Keeping with all other necessary rules, including making sure that wagering could not take place outside of the racetrack enclosure.

#### Sec. 321.21. Certain Wagers Prohibited.

Section 2027.002 of the Act stipulates that wagering may only be conducted within the racetrack association's enclosure. It further clarifies that that a person may not make a wager in person, by phone or over the internet unless the person is inside the enclosure, and in accordance with commission rules. Therefore, it is important to include in the racing rules that as long as the wagering is occurring inside the enclosure, which would be accomplished through geo-fencing and the use of a racetrack association's Wi-Fi network, patrons may make wagers through a licensed totalizator vendor via a commission-approved E-wagering plan.

#### Sec. 321.413. Duties Of Guest Racetrack.

This adjustment simply provides clarity in the rule that the racetrack associations and approved vendors are not required to provide audio/video broadcasts of races that patrons are wagering on as long as the patrons are able to access race information in some form. This is important for wagering technology vendors that may provide race wagering opportunities to patrons, within the enclosure, that may not be being broadcast in an audio/visual format by the racetrack association.

While removing subsection (3) of this rule may be possible, it might cause concern and a lack of clarity for what racetrack associations generally provide to traditional simulcast wagerers.

#### Sec. 321.417. Emergency Procedures.

This addition corresponds to the previous addition that clarifies that a racetrack association or approved vendor does not necessarily need to provide an audio/visual broadcast of the race if the patrons have access to race information via another platform.

This distinguishes between patrons who may be utilizing another wagering platform and allows for the protection of those who may be only relying on the audio/visual information provided by the racetrack association.

#### Sec. 321.607. E-Wagering Account Restrictions.

These modifications reduce and clarify the e-wagering rules to give the greatest flexibility and oversight to the commission in the approval process for e-wagering vendors.

The deletions here assume that either the commission approval process will ensure appropriate statutes are followed, and/or the provision is addressed in another area of rule.

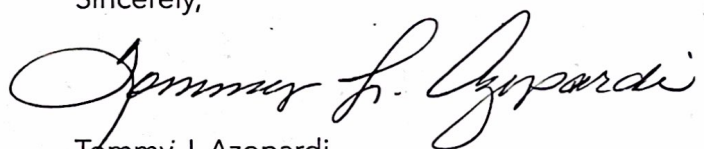
The inclusion of an "electronic payment system that debits from an account holder's checking account" simply provides clarity that it is the intent of the commission to allow for various methods of payment that are in line with technology advancements of today's e-finance world. The youth of today prefer platforms such as PayPal and Venmo to make their transactions, and approved vendors would have the responsibility to show that any payment systems they utilize are accepting only forms of payment that draw from a checking account.

The inclusion of the closed-loop subscriber-based System brings this new definition into the rules, providing clarity for operators as to the types of wagering technology that may be submitted for approval to TXRC.

The Texas horse racing industry has exceptional opportunity before it to continue the positive economic momentum that has been generated by the Horse Industry Escrow Account and from enhancements to administrative functions of your agency that are aimed at helping industry participants safely flourish in the sport.

In short, we are hopeful the Commission will take up and consider the aforementioned updates to technology rules that will allow the new patrons we are working to bring into the sport access race information and wagering opportunities on mobile devices while they are within the enclosure at Texas tracks, which we strongly believe will enhance their experience and remove some of the barriers that currently reduce their participation.

Sincerely,



Tommy J. Azopardi  
Chairman

Texas Horse Racing Hall of Fame Board of Directors

## ***Proposed Changes to Texas Rules of Racing***

### **Topic**

Modernize e-wagering plans within the enclosure of a racetrack.

### **Statutory Basis/Authorization**

*Sec. 2027.002. Wagering Restrictions. (a) Wagering may be conducted only by a racetrack association within the racetrack association's enclosure.*

*(b) A person may not accept, in person, by telephone, or over the Internet, a wager for a horse or greyhound race conducted inside or outside this state from a person in this state unless the wager is authorized under this subtitle.*

*(c) Only a person inside an enclosure where both live and simulcast race meetings are authorized may wager on the result of a live or simulcast race presented by a racetrack association in accordance with commission rules.*

*(d) Except as provided by Subsection (c), a person may not place, in person, by telephone, or over the Internet, a wager for a horse or greyhound race conducted inside or outside this state.*

### **Related Rule (E-Wagering Plan)**

*Sec. 321.605. E-Wagering Plan. (a) To be approved to conduct E-wagering, an association must submit a plan to the executive ~~secretary~~ **director**. The plan must include:*

- (1) the procedures for opening an account;*
- (2) the procedures for establishing identity of account holder;*
- (3) the procedures for making deposits to the account;*
- (4) the procedures for making withdrawals from the account;*
- (5) the procedures for closing an account;*
- (6) the procedures for suspending an account; and*
- (7) a description of the totalisator system and E-wagering access system.*

*(b) The executive ~~secretary~~ **director** may approve a plan to conduct E-wagering if the executive secretary determines that the association's plan meets the requirements of this section and does not conflict with the Rules or the Act.*

## **Recommended Rule Changes**

### **Sec. 321.1. Definitions and General Provisions.**

(17) Ticketless Electronic Wagering (E-wagering)—

(i) a form of pari-mutuel wagering in which wagers are placed and cashed through **a licensed totalisator vendor via** an electronic ticketless account system operated through ~~a licensed totalisator vendor~~ in accordance with § 2021.002 of this Act; or

**(ii) a closed-loop subscriber-based system, which includes:**

**(A) a device or combination of devices authorized and operated for placing, receiving, or otherwise making a wager and by which a person must subscribe in order to be able to place, receive, or otherwise make a bet or wager;**

**(B) an effective customer verification and age verification system; and**

**(C) appropriate data security standards to prevent unauthorized access to a person:**

**(I) who seeks to make a bet or wager outside the racetrack's enclosure;**

**(II) who seeks to make a bet or wager on any live or simulcast race not available to other persons within the racetrack's enclosure; and**

**(III) who is a minor; and**

(iii) ~~Where~~ wagers are automatically debited and credited to the account holder.

### **Sec. 321.21. Certain Wagers Prohibited.**

(a) **Except as otherwise allowed under Section 2027.002 of the Act,** an association may not accept a wager made by mail, by telephone, or by internet. A data communications link for common pooling purposes is not considered a wager for purposes of this section.

(b) An association may not accept a wager made on credit.

### **Sec. 321.413. Duties Of Guest Racetrack.**

(a) An association that conducts pari-mutuel wagering on a simulcast import acts as a guest racetrack on those dates. The guest racetrack shall:



(1) provide adequate communication facilities, enabling pari-mutuel data transmissions and data communications between totalisator systems of the host racetrack and the guest racetrack;

(2) if the guest racetrack participates in common pools, provide a direct telephone line and a facsimile machine, or other means approved by the executive director, located in the mutuel area to transmit information to the host racetrack in case of a system failure; and

(3) display the audio and video signals of the races being simulcast to the patrons, **unless the patrons otherwise have access to the program and race information for the simulcast races available within the racetrack's enclosure.**

(b) After each simulcast performance, the guest racetrack shall provide the reports of its parimutuel operations required by Subchapters A and B of this chapter.

### **Sec. 321.417. Emergency Procedures.**

(a) If an association is unable to establish or to maintain the audio or video signal from a host racetrack **of any races for which the association is displaying the audio and video signal,** the association shall immediately notify the host racetrack of the lost signal and may continue to accept wagers for four hours while attempting to establish the signal.

(b) If after four hours the audio or video signal cannot be established the association may continue to accept wagers on the signal provided:

(1) the mutuel manager makes an announcement to the public informing them that due to technical difficulties the audio or video signal has been lost;

(2) the association transmits the odds on the affected race to the video department to be displayed to the patrons; and

(3) the totalisator operator locks all wagering on the affected race at zero minutes to post to ensure the integrity and transfer of the wagering pools.

(c) If the host racetrack loses the ability to transmit the audio or video signal, the host racetrack:

(1) shall notify all guest racetracks of the technical difficulties being experienced;

(2) may continue to accept wagers from the guest racetracks on that day's races;  
and

(3) may not accept wagers from the guest racetracks for subsequent race days until the technical difficulties have been corrected.

**Sec. 321.607. E-Wagering Account Restrictions.**

(a) The mutual manager of an association shall establish and manage E-wagering within an association's enclosure.

(b) The making and acceptance of wagers over the communications facility known as the "Internet" or "telephone" is ~~prohibited~~ **may only occur in accordance with an approved e-wagering plan.**

(c) An association may accept deposits to an **person's** account only in the form of cash, cashier's check, money order, **electronic payment system that debits from the person's checking account,** or other method determined by the executive director to be a cash equivalent.

~~(d) The association may not accept wagers in an amount that exceeds the account balance.~~

~~(e) An account holder must be at least 21 years of age.~~

~~(f) An account holder is responsible for all activity associated with his or her account.~~

~~(g)~~ (gd) An association may use E-wagering devices only if the devices are connected to the totalisator system, **either directly or via a closed-loop subscriber-based system.**

**Sec. 321.621. Ticketless Electronic Wagering Hardware Devices and Applications.** ~~An E-wagering device must be configured for loss of signal when removed from an association's enclosure.~~