



**RULE-MAKING ORDER
PERMANENT RULE ONLY**

**CR-103P (October 2017)
(Implements RCW 34.05.360)**

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STATE OF WASHINGTON
FILED

DATE: January 12, 2018

TIME: 10:26 AM

WSR 18-03-074

Agency: Washington Horse Racing Commission

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose: Adds a new calculation to allow the racing association to offer a "unique" ticket jackpot payout for pick "n" wagers

Citation of rules affected by this order:

New:

Repealed:

Amended: WAC 260-48-920

Suspended:

Statutory authority for adoption: RCW 67.16.020

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 17-23-154 on November 21, 2017 (date).

Describe any changes other than editing from proposed to adopted version:

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Web site:

Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	<u>1</u>	Repealed	___

The number of sections adopted at the request of a nongovernmental entity:

New	___	Amended	<u>1</u>	Repealed	___
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The number of sections adopted on the agency's own initiative:

New	___	Amended	<u>1</u>	Repealed	___
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	___	Amended	<u>1</u>	Repealed	___
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The number of sections adopted using:

Negotiated rule making:	New	___	Amended	<u>1</u>	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

Date Adopted: January 12, 2018

Name: Douglas L Moore

Title: Executive Secretary

Signature:



WAC 260-48-920 Pick (n) pools. (1) The pick (n) requires selection of the first-place finisher in each of a designated number of races. The association must obtain written approval from the executive secretary concerning the scheduling of pick (n) races, the designation of one of the methods prescribed in part (2), and the amount of any cap to be set on the carryover. The number of races so designated must be more than three (3), but no greater than ten (10). Any changes to the approved pick (n) format require prior approval from the executive secretary.

(2) The pick (n) pool will be apportioned under one of the following methods:

(a) Method 1, pick (n) with carryover: The net pick (n) pool and carryover, if any, will be distributed as a single price pool to those who selected the first-place finisher in each of the pick (n) races, based upon the official order of finish. If there are no such wagers, then a designated percentage of the net pool will be distributed as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races; and the remainder will be added to the carryover.

(b) Method 2, pick (n) with minor pool and carryover: The major share of the net pick (n) pool and the carryover, if any, will be distributed to those who selected the first-place finisher in each of the pick (n) races, based upon the official order of finish. The minor share of the net pick (n) pool will be distributed to those who selected the first-place finisher in the second greatest number of pick (n) races, based upon the official order of finish. If there are no wagers selecting the first-place finisher of all pick (n) races, the minor share of the net pick (n) pool will be distributed as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races; and the major share will be added to the carryover.

(c) Method 3, pick (n) with no minor pool and no carryover: The net pick (n) pool will be distributed as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races, based upon the official order of finish. If there are no winning wagers, the pool is refunded.

(d) Method 4, pick (n) with minor pool and no carryover: The major share of the net pick (n) pool will be distributed to those who selected the first-place finisher in the greatest number of pick (n) races, based upon the official order of finish. The minor share of the net pick (n) pool will be distributed to those who selected the first-place finisher in the second greatest number of pick (n) races, based upon the official order of finish. If there are no wagers selecting the first-place finisher in a second greatest number of pick (n) races, the minor share of the net pick (n) pool will be combined with the major share for distribution as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races. If the greatest number of first-place finishers selected is one (1), the major and minor shares are combined for distribution as a single price pool. If there are no winning wagers, the pool is refunded.

(e) Method 5, pick (n) with minor pool and no carryover: The major share of net pick (n) pool will be distributed to those who selec-

ted the first-place finisher in each of the pick (n) races, based upon the official order of finish. The minor share of the net pick (n) pool will be distributed to those who selected the first-place finisher in the second greatest number of pick (n) races, based upon the official order of finish. If there are no wagers selecting the first-place finisher in all pick (n) races, the entire net pick (n) pool will be distributed as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races. If there are no wagers selecting the first-place finisher in a second greatest number of pick (n) races, the minor share of the net pick (n) pool will be combined with the major share for distribution as a single price pool to those who selected the first-place finisher in each of the pick (n) races. If there are no winning wagers, the pool is refunded.

(f) Method 6, pick (n) with minor pool, jackpot pool, major carryover and jackpot carryover: Predetermined percentages of the net pick (n) pool will be set aside as a major pool, minor pool and jackpot pool. The major share of the net pick (n) pool and the major carryover, if any, will be distributed to those who selected the first-place finisher of each of the pick (n) races, based ((~~on~~)) upon the official order of finish. If there are no tickets selecting the first-place finisher in each of the pick (n) races, the major net pool will be added to the major carryover. If there is only one single ticket selecting the first-place finisher of each of the pick (n) races, based ((~~on~~)) upon the official order of finish, the jackpot share of the net pick (n) pool and the jackpot carryover, if any, will be distributed to the holder of that single ticket, along with the major net pool and the major carryover, if any. If more than one ticket selects the first-place finisher of each of the pick (n) races the jackpot net pool will be added to the jackpot carryover. The minor share of the net pick (n) pool will be distributed to those who selected the first-place finisher of the second greatest number of pick (n) races, based ((~~on~~)) upon the official order of finish. If there are no wagers selecting the first-place finisher of all pick (n) races, the minor net pool of the pick (n) pool will be distributed as a single price pool to those who selected the first-place finisher of the greatest number of pick (n) races.

(g) Method 7, with carryover and "Unique Winning Ticket" provision: The net pick (n) pool and carryover, if any, shall be distributed to the holder of a single, unique winning ticket that selected the first-place finisher in each of the pick (n) races, based upon the official order of finish. If there is more than one ticket selecting the first-place finisher in each of the pick (n) races, the major share of the net pick (n) pool will be distributed as a single price pool to those ticket holders, and the minor share will be added to the carryover. If there are no tickets selecting the first-place finisher in each of the pick (n) races, the major share of the net pick (n) pool will be distributed to those who selected the first-place finisher in the greatest number of pick (n) races, and the minor share will be added to the carryover. If there are no tickets that selected at least one first-place finisher in any of the pick (n) races, the day's net pool is refunded and the previous carryover pool amount, if any, shall be carried over to the next scheduled corresponding pool.

(h) Method 8, pick (n) with the pool split into three shares, one share having a carryover: The share percentages are determined by the pool host and approved by the executive secretary. The first share of the net pick (n) pool and the carryover, if any, will be distributed to those who selected the first-place finisher in each of the pick (n)

racers, based upon the official order of finish. The second share of the net pick (n) pool will be distributed to those who selected (n-1) of the pick (n) races, based upon the official order of finish and a third share of the pick (n) pool will be distributed to those who selected (n-2) of the pick (n) races, based upon the official order of finish. If there are no wagers selecting the first-place finisher of all pick (n) races, the first share will be added to the carryover. If there are no wagers selecting (n-1) of the pick (n) races, the second share will be added to the carryover. If there are no wagers selecting (n-2) of the pick (n) races, the third share will be added to the carryover. Where there is no correct selection of the first-place finisher in at least one of the pick (n) races, based upon the official order of finish, the day's net pool will be refunded and the previous carryover pool amount, if any, will be carried over to the next scheduled corresponding pool.

(i) Method 9, pick (n) with pool split into three shares, with carryovers, and a "Unique Winning Ticket" provision: The share percentages are determined by the pool host and approved by the executive secretary. The first share of the net pick (n) pool and the first share carryover, if any, will be distributed to those who selected the first-place finisher in each of the pick (n) races, based upon the official order of finish. The second share of the net pick (n) pool will be distributed to those who selected the first-place finisher in the second greatest number of pick (n) races, based upon the official order of finish. If there are no wagers selecting the first-place finisher of all pick (n) races, the second share of the net pick (n) pool will be distributed as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races, and the first share will be added to the first share carryover. The third share and the third share carryover, if any, will be distributed to the holder of a unique winning ticket that selected the first-place finisher in each of the pick (n) races, based upon the official order of finish. If there is no unique winning ticket selecting the first-place finisher in each of the pick (n) races, the third share shall be added to the third share carryover. For greater certainty, the holder of a unique winning ticket shall receive both the first share, and first share carryover, if any, as well as the third share, and the third share carryover, if any. Where there is no correct selection of the first-place finisher in at least one of the pick (n) races, based upon the official order of finish, the day's net pool will be refunded and the previous carryover pool(s) amount(s), if any, will be carried over to the next scheduled corresponding pool. In obtaining authorization for operating the pick (n) pool under this subsection, associations must clearly identify which definition under subsection (15) of this section will be relied upon for determining the existence of a unique winning ticket.

(3) If there is a dead heat for first in any of the pick (n) races involving:

(a) Horses representing the same betting interest, the pick (n) pool will be distributed as if no dead heat occurred.

(b) Horses representing two or more betting interests, the pick (n) pool will be distributed as a single price pool with each winning wager receiving an equal share of the profit.

(4) Should a betting interest in any of the pick (n) races be scratched:

(a) The racing association may allow patrons the option of selecting an alternate betting interest prior to the running of the

first leg of the pick (n). The selected alternate betting interest will be substituted for the scratched betting interest, for all purposes, including pool calculations.

(b) If no alternate betting interest is selected or the selected alternate betting interest is also scratched, the actual favorite, as evidenced by total amounts wagered in the win pool at the close of wagering on that race, will be substituted for the scratched betting interest for all purposes, including pool calculations. In the event that the win pool total for two or more favorites is identical, the substitute selection will be the betting interest with the lowest program number. The parimutuel system will produce reports showing each of the wagering combinations with substituted betting interests which became winners as a result of the substitution, in addition to the normal winning combination.

(5) The pick (n) pool will be canceled and all pick (n) wagers for the individual race day will be refunded if:

(a) At least three races included as part of a pick 4, pick 5 or pick 6 are canceled or declared "no contest."

(b) At least four races included as part of a pick 7, pick 8 or pick 9 are canceled or declared "no contest."

(c) At least five races included as part of a pick 10 are canceled or declared "no contest."

(6) If at least one race included as part of a pick (n) is canceled or declared "no contest," but not more than the number specified in subsection 5 of this rule, the net pool will be distributed as a single price pool to those whose selection finished first in the greatest number of pick (n) races for that race day. Such distribution will include the portion ordinarily retained for the pick (n) carryover but not the carryover from previous race days.

(7) The pick (n) carryover may be capped at a designated level approved by the commission so that if, at the close of any race day, the amount in the pick (n) carryover equals or exceeds the designated cap, the pick (n) carryover will be frozen until it is won or distributed under other provisions of this rule. After the pick (n) carryover is frozen, 100 percent of the net pool, part of which ordinarily would be added to the pick (n) carryover, will be distributed to those whose selection finished first in the greatest number of pick (n) races for that race day.

(8) A written request for permission to distribute the pick (n) carryover on a specific race day may be submitted to the executive secretary. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and race day for the distribution.

(9) Should the pick (n) carryover be designated for distribution on a specified date and race day in which there are no wagers selecting the first-place finisher in each of the pick (n) races, the entire pool will be distributed as a single price pool to those whose selection finished first in the greatest number of pick (n) races. The pick (n) carryover will be designated for distribution on a specified date and race day only under the following circumstances:

(a) Upon written approval from the commission as provided in subsection (8) of this ((rule)) section.

(b) Upon written approval from the executive secretary when there is a change in the carryover cap, a change from one type of pick (n) wagering to another, or when the pick (n) is discontinued.

(c) On the closing race day of the meet or split meet.

(10) If, for any reason, the pick (n) carryover must be held over to the corresponding pick (n) pool of a subsequent meet, the carryover will be deposited in an interest-bearing account approved by the commission. The pick (n) carryover plus accrued interest will then be added to the net pick (n) pool of the following meet on a date and race day so designated by the commission.

(11) With the written approval of the executive secretary, the association may contribute to the pick (n) carryover a sum of money up to the amount of any designated cap.

(12) Providing information to any person that is not made available to the public regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is prohibited.

(13) The total amount of the net pool and information of probable payouts for each of the runners when the last race of the pick (n) wager is the only race remaining to be run may be displayed to the public.

This will not prohibit necessary communication between parimutuel system and parimutuel department employees for processing of pool data.

(14) The association may suspend (~~previously approved~~) previously approved pick (n) wagering with the prior approval of the executive secretary. Any carryover will be held until the suspended pick (n) wagering is reinstated. An association may request approval of a pick (n) wager or separate wagering pool for specific race day.

(15) As it relates to any distribution method in subsection (2) of this section which contains a unique winning ticket provision:

(a) A written request for permission to distribute the pick (n) unique winning carryover on a specific performance may be submitted to the executive secretary. The request must contain justification for the distribution, an explanation of the benefit to be derived, and the intended date and performance for the distribution. Should the pick (n) unique winning ticket net pool and any applicable carryover be designated for distribution on a specified date and performance in which there is no unique winning ticket, the entire pool shall be distributed as a single price pool to those who selected the first-place finisher in the greatest number of pick (n) races.

(b) Associations must use the following criteria for determining the existence of a unique winning ticket:

(i) There is one and only one winning ticket that correctly selected the first-place finisher in each of the pick (n) races, based upon the official order of finish, to be verified by the unique serial number assigned by the tote company that issued the winning ticket; and

(ii) The total amount wagered on the one and only one winning combination selecting the first-place finisher in each of the pick (n) races, based upon the official order of finish, is equal to the minimum allowable wager.