

VIRGINIA RACING COMMISSION

Statement of Final Agency Action:

On May 15, 2002, the Virginia Racing Commission adopted a final and exempted regulation entitled "Regulations Pertaining to Horse Racing, with Pari-Mutuel Wagering - Pari-Mutuel Wagering" (11 VAC 10-20-260).

Explanation of Substantive Changes:

The Rules Committee, an advisory committee of the Virginia Racing Commission, reviewed the regulations pertaining to pari-mutuel wagering, and it has recommended several amendments to update the regulations as well as bring them into conformity with current practices. The amendments are:

Section 260:

Any underpayment is to be placed in an interest-bearing account and carried over to the same pool at the next race meeting of the same breed. Further, the wording on minimum wagers has been clarified.

Section 270:

The procedure to request Commission approval of pari-mutuel pools has been simplified and the request is now due 30 days, not 90 days, before opening day.

Section 280:

The redundant Subsection D has been deleted.

Section 290:

A valid pari-mutuel ticket is required to have the name of the track where the wager is placed, and the licensee is required to file a written report when a ticket exceeding \$250 in value is cancelled.

Section 300:

In Subsection K, a provision has been for the licensee to submit a written policy in regards to situations where commingling of pools cannot take place due to communication or transmission failures.

Section 310:

In Subsection D, the licensee has discretion on canceling twin trifecta and superfecta pools where there are seven or fewer wagering interests.

Section 330:

In Subsection D, the term preferred "exacta" has been substituted throughout for the term "perfecta."

In Subsection E, the licensee is given discretion to uncouple wagering interests in "stakes, futurities and other special events."

In Subsection G, the prohibition against coupled entries or mutual fields has been deleted in pick (n) races.

In Subsection H, the prohibition against coupled entries or mutual fields has been deleted in twin trifecta races.

Section 340:

In Subsection B, the regulations pertaining to refunds have been simplified and clarified. The stewards are vested with authority to order refunds on any horse that does not obtain a fair start.

In Subsection F, the horse may race for the purse only while refunding wagers upon that horse.

In Subsection H, in turf races, pari-mutuel tickets may be refunded up until post time when the race is switched to the main, dirt surface. However, this does not apply to pick (n) wagers.

Summary of Public Comments and Agency's Response:

The amendments to the final and exempt regulations were developed through a series of meetings with the Rules Committee, an advisory panel of the Commission. The Committee is composed of representatives of the two licensees as well as representatives of the breed associations and horsemen.

A report of the progress of the Rules Committee was made at the April 17, 2002 meeting of the Commission and the amendments were discussed in a section-by-section review at the May 15, 2002 meeting of the Commission prior to their adoption.

There were no comments or suggestions from the public concerning the amendments during the May 15, 2002 meeting of the Commission.

Summary of Regulation:

Among the number of technical amendments to update the regulations pertaining to the types of pari-mutuel wagering pools, the Rules Committee recommended and the Virginia Racing Commission adopted two substantial changes. First, any underpayment will be placed in an interest-bearing account and carried over to the next race meeting of the same breed. Second, the provisions for handling situations, where commingling cannot place in simulcast horse racing, is set forth with discretion given to the licensee.

Statement of Basis, Purpose, Substance and Issues:

Basis: The Virginia Racing Commission derives its statutory authority to promulgate regulations from the provisions of §59.1-369 of the Code of Virginia. The Code states, in part in subdivision 3, "The Commission shall promulgate regulations and conditions under which horse racing with pari-mutuel wagering shall be conducted in the Commonwealth, and all such other regulations it deems necessary and appropriate to effect the purposes of this chapter." Further, the commission regulatory action relating to the types of pari-mutuel wagering pools is exempted under the provisions of §2.2-4002 (B) (22) of the Virginia Administrative Process Act.

Purpose: The commission relies heavily upon its special advisory panel—the Rules Committee—to advise it on matters pertaining to all aspects of horse racing and pari-mutuel wagering. The committee represents the widest possible spectrum of interests within the horse racing and breeding community within the Commonwealth. The committee is charged with the responsibility of keeping the commission and its staff abreast of the latest developments in the sport and in the Mid-Atlantic Region. The recommendations of the committee, which have been adopted by the commission, will enhance the public's health, safety and especially the welfare of the horse racing in Virginia.

Substance: The Rules Committee recommended and the Virginia Racing Commission adopted several minor amendments to bring the regulations pertaining to pari-mutuel wagering into conformity with current industry standards. However, there are two fairly substantial amendments. First, the amendment requiring that any underpayment be carried over to the next race meeting of the same rather than being deposited with the Commonwealth. Second, the amendment specifying the procedures to be followed when commingling pools in simulcast horse racing cannot take place to a failure in communications.

Issues: The amendments to these regulations represent reasonable refinements to ensure that horse racing in Virginia will be free from any corrupt, incompetent, dishonest or unprincipled practices. The input from the two licensees was critical in the revision of these regulations.

Impact Upon Families: The regulations will have no impact upon families in the Commonwealth.