

Adopt Lot 8200 to read as follows:

CHAPTER 8200 HISTORIC HORSE RACING

PART Lot 8201 DEFINITIONS

Lot 8201.01 Definitions. The following words and terms shall have the following meanings when used in this chapter, unless the context clearly indicates otherwise:

(a) “Applicant” means an individual, association, partnership, joint-venture, corporation, or other type of organization or entity who has submitted an application to obtain a license to offer pari-mutuel wagers on historic horse racing from the commission.

(b) “Breakage” means the odd cents of all redistribution based on each dollar wagered exceeding a sum equal to the next lowest multiple of 10 cents.

(c) “Commission” means the New Hampshire lottery commission established pursuant to RSA 284:21-a, or its designated staff having authority to perform administrative and clerical functions for the commission.

(d) “Handpay” means a condition where a prize won during a single wager on an historic horse racing terminal exceeds the limit that can be automatically paid by the terminal and requires paperwork to be completed before payment can be made by hand.

(e) “Historic horse racing” means “historic horse race” as defined in RSA 284:22-b, I, namely

“(1) Any horse race whether running or harness, that was previously conducted at a licensed pari-mutuel facility;

(2) Concluded with official results; and

(3) Concluded without scratches, disqualifications, or dead-heat finishes.”

(f) “Historic horse racing (HHR) license” means a license issued in accordance with RSA 284:22-b, II, to offer pari-mutuel wagers on historic races.

(g) “Historic horse racing (HHR) licensee” means a game operator employer licensee that has been granted an HHR license under RSA 284:22-b, II.

(h) “Independent testing laboratory” means a laboratory, authorized by the commission through a competitive procurement process, 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.

(i) “Integrity auditor” means a company authorized by the commission through a competitive procurement process to conduct periodic and regular tests on the validity of pari-mutuel wagers, deductions, and payouts for the applicable historic horse racing event, and provides monthly reporting relative to wagers, takeout, breakage, and patron payouts.

(j) “Licensee” means “licensee” as defined in RSA 284:22-b, I(b) namely, “any individual, association, partnership, joint-venture, corporation, or other organization or other entity which holds a game operator employer license under RSA 287-D.”

(k) “Logic area” means 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.

(l) “Operations provider” means any individual, association, partnership, joint-venture, corporation, or other organization or other entity involved in conducting, managing, supervising, directing, or running

historic horse racing on behalf of a historic horse racing licensee. Operations provider does not include terminal providers unless so involved.

(m) “Party to the application” means:

- (1) For sole proprietorship, the applicant;
- (2) For a partnership, the applicant and all partners including general, limited and silent partners;
- (3) For a corporation, the applicant and all executive officers, directors, stockholders of record, individuals or organizations holding the beneficial interest in any stock, subscribers to any stock, and individuals or organizations who voted any of the voting stock at the last stockholder’s meeting prior to submitting the application; or
- (4) For any other organization, the applicant and all owners, executive officers, members of the governing board and any other individual or organization holding any membership, financial or ownership interest in the applicant.

(n) “Seed pool” means a nonrefundable pool of money that may be funded by the licensee in order to ensure that a patron will be paid the minimum amount required on a winning wager on historic horse racing.

(o) “Takeout” means the amount an HHR licensee is authorized to withhold from a pari-mutuel wager pursuant to RSA 284:22-b, V. Takeout is also known as a commission.

(p) “Terminal” means any self-service totalizator machine or other mechanical equipment used by a patron to place a pari-mutuel wager on one or more historic horse races, including hardware, software, communications equipment, and electronic devices that accepts and processes the cashing of wagers, calculates the odds, payouts or both, and records, displays, and stores pari-mutuel wager information.

(q) “Terminal provider” means the entity that manufactures the electronic gaming portion of the terminal, which may be not be the same entity that provides the totalizator portion of the system.

PART Lot 8202 GAME OPERATOR REQUIREMENTS

Lot 8202.01 Eligibility to Offer Pari-mutuel Wagers on Historic Horse Races.

(a) Except as otherwise provided by (b)-(d) below, no individual, association, partnership, joint-venture, corporation, or any other type of organization or entity shall offer pari-mutuel wagers on historic horse racing without having the following valid licenses:

- (1) A game operator employer license issued in accordance with RSA 287-D and Lot 7200; and
- (2) An HHR license issued in accordance with RSA 284 and Lot 8202.02 below.

(b) Pursuant to RSA 284:22-b, II, prior to January 1, 2024, licenses to offer pari-mutuel wagers on historic horse races shall only be authorized to individuals and entities that:

- (1) Held a game operator employer license issued in accordance with RSA 287-D and in effect as of May 1, 2020;
- (2) Have not transferred or sold the game operator employer license that was in effect as of May 1, 2020 as prohibited by RSA 287-D; and
- (3) Have established controls in place and a demonstrated ability to safeguard assets and ensure the integrity of games.

(c) For HHR licenses issued prior to July 1, 2024, the authorized game operator employer shall only offer pari-mutuel wagers on historic horse racing at one of the following locations:

- (1) The licensed games of chance facility where the licensee operated games of chance events as of May 1, 2020; or
- (2) A licensed games of chance facility where the licensee operates games of chance events located within the city or town where the licensee was authorized to hold games of chance events as of May 1, 2020.

(d) Prior to July 1, 2024, no HHR licensee shall be permitted to offer pari-mutuel wagering on historic horse racing at more games of chance facilities than it was licensed to operate as of May 1, 2020.

Lot 8202.02 Obtaining a License to Offer Pari-mutuel Wagers on Historic Horse Races.

(a) A game operator employer shall obtain a license from the commission in accordance with this section prior to offering pari-mutuel wagers on historical horse races.

(b) Each applicant for an HHR license shall submit the following to the commission at least 90 days prior to the date they wish to begin offering pari-mutuel wagers on historic horse racing:

- (1) A completed “Application to Offer Historic Horse Racing” form (7/2021);
- (2) For first time applicants or licensees seeking to operate at a new location, a plan of operation that includes:
 - a. The number of terminals to be operated at the facility broken down by terminal provider, make, and model;
 - b. A detailed description of the proposed area designated for the sale of pari-mutuel pool, and the placement of terminals within the area, including a drawn-to-scale architectural rendering that describes:
 1. The size, construction, and capacity of the area;
 2. The number and location of each terminal; and
 3. The location of surveillance and other security equipment, which shall meet or exceed the applicable requirements set forth in “Surveillance Standards for GOC and HHR” (2021);
 - c. The type, number and denominations of pari-mutuel wagers to be offered;
 - d. General and game specific information regarding the pari-mutuel wagers, including the mathematical models, methods of calculating payouts, the configuration of pools, how money is allocated to the pools (including seed pools), and pool payout methodology;
 - e. Documentation from an independent testing laboratory confirming that the terminals comply with the requirements of this chapter;
 - f. The maintenance and repair procedures that will ensure the integrity of the terminals;
 - g. A description of the type of data processing, communication, totalizator and transmission equipment to be utilized;
 - h. A networking diagram detailing the manner in which the machines will be networked with the gaming servers and back office systems;

- i. An IT security plan detailing the logical security measures for the gaming system;
- j. Safeguards and controls that will be in place relative to the transmission of wagering data to effectuate common wagering pools;
- k. A copy of the written internal control policies and procedures designed to ensure effective control over the gaming operation, which shall meet or exceed the applicable requirements set forth in “Minimum Internal Control Standards for GOC and HHR” (2021);
- l. The practices and procedures that will ensure the security, safety, and comfort of patrons in the designated area; and
- m. An anti-money laundering (AML) compliance program that complies with the requirements of 31 CFR Part 1021.210 to prevent the licensee from being used to facilitate money laundering and financing of terrorist activities;

(3) A complete list of the parties to the application that includes:

- a. Legal name;
- b. Percent and nature of ownership interest or number of stocks held; and
- c. How the ownership interest or stocks were obtained;

(4) The following documents for each party to the application:

- a. A completed “Suitability Determination Release of Liability Waiver” form (7/2021);
- b. A completed “Multi-Jurisdictional Personal History Disclosure Form” (as accessed and printed on March 2, 2018), available as noted in Appendix B;
- c. A completed and notarized “New Hampshire State Police Criminal Records Release Authorization” form (DSSP392 rev. 5/2017) obtained from the commission authorizing the release of the individual’s criminal history record;
- d. A complete set of fingerprints taken by a qualified law enforcement agency as follows:
 - 1. If fingerprints are digitally captured via a Livescan device, the original Livescan Site Form; or
 - 2. If fingerprints are captured via ink impressions, the FBI FD-258 fingerprint card issued by the New Hampshire state police;
- e. Payment for the criminal history record, payable to the “State of NH – Criminal Records” and in the amount established by the New Hampshire state police;
- f. A copy of a credit report issued no more than 3 months prior to the application;
- g. A copy of the signed and filed tax returns from the prior 3 tax years, including supporting schedules; and
- h. Any other information that the commission, in its sole discretion, may find to bear on the subject’s suitability to be associated with racing or charitable gaming in New Hampshire, including, but not limited to, the subject’s character, personal associations, and the extent to which the subject is properly doing, or has done business in the manner in which it purports to operate within and outside of the state of New Hampshire;

(5) For applicants that are organizations, financial statements reviewed or audited by a certified public accountant covering the same 3-year period as the tax returns submitted in accordance with (4)e. above. Such documentation shall include a minimum of the following:

- a. Balance sheet;
- b. Income statement;
- c. Cashflow statement; and
- d. Statement of Equity;

(6) For applicants structured as a limited liability corporation (LLC), a copy of the LLC's operating agreement outlining the company's ownership, management, and each member's rights and responsibilities;

(7) When applicable, the names, and contact information of any persons or entities upon whom the business relies for financial support, including but not limited to loans or contributions of capital, and a brief description of the financial support being provided;

(8) When applicable, the pertinent details related to any judgements, petitions, relief or appointments issued to the business or any holding or intermediary companies within the last 10 years;

(9) When applicable, the pertinent details related to a gaming license denial, suspension, or revocation against any party to the application by this or any other state;

(10) A copy of the applicant's responsible gaming plan that meets the requirements of Lot 8202.04;

(11) Copies of all agreements between the applicant and all historic horse racing vendors, including the terminal provider, and all contracts relating to the operation of the pari-mutuel wagers. The applicant may mark any information that they deem confidential or proprietary. The commission shall not disclose any information so marked, unless required by law; and

(12) A letter of credit, bond with surety, or other instrument of financial security in an amount and form sufficient to cover outstanding vouchers together with any indebtedness incurred by the licensee to the state and affected charitable organizations for an average 3-month period. In no instance shall the amount be less than \$100,000.

(c) If elements of the plan of operation are not available until time of construction or operation, the applicant may submit all available materials for consideration, and note what materials are pending and why. When the available materials otherwise demonstrate compliance, the commission shall grant a preliminary approval conditioned upon final review of all required documents or information.

(d) 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 an HHR license.

(e) When the operation of the pari-mutuel wagers and pools are provided via a contract between the HHR licensee and an operations provider, the following shall apply:

- (1) No contract between the HHR licensee and the operations provider shall be valid until reviewed and approved by the commission;
- (2) The operations provider shall be subject to the requirements set forth in Lot 8202.02(b)(1)-(4);
- (3) The commission shall approve such contracts when:

- a. The HHR licensee is in good standing with the commission;
 - b. The operations provider:
 - 1. Has demonstrated that it would be deemed suitable to be associated with pari-mutuel wagers and charitable gaming in the state of New Hampshire if it were a direct licensee; and
 - 2. Is in good standing with the New Hampshire secretary of state;
 - c. The services provided by the operations provider are compensated at a commercially reasonable rate, regardless of whether it as a flat rate fee or through a revenue sharing model;
 - d. The contract demonstrates that the operations provider will operate in accordance with all applicable statutes and regulations; and
 - e. The contract requires that the HHR licensee and the operations provider are jointly responsible for ensuring that pari-mutuel wagers and pools on historic horse races operate in compliance with all applicable statute and regulations;
- (4) Prior to operations commencing, the operations provider shall:
- a. Complete a criminal background check, prior to any work being performed and every 2 years thereafter, on each employee who will perform any work related to the operation of pari-mutuels wagers on historic horse racing in New Hampshire regardless of whether that work takes place at the HHR licensees' location or remotely;
 - b. Prohibit any employee who does not meet the provisions of RSA 287-D:14, IX from participating in the operations of New Hampshire pari-mutuel wagers in any form; and
 - c. Maintain a certified list of all current employees participating in the operations of pari-mutuel wagers on historic horse racing in New Hampshire, and make said list available to the commission upon request;
- (5) Compensation paid to the operations provider by the HHR licensee shall not be paid from revenue that is otherwise due to the charitable organizations or the State of New Hampshire;
- (6) Any contract for the operation of pari-mutuel wagers on historic horse races shall not absolve the HHR licensee of its obligations under law or regulation, and as such the HHR licensee remains liable for the operation of the pari-mutuel wagers in compliance with all applicable laws and regulations; and
- (7) The commission may suspend or retract approval of the contract at any time when it determines that the operations provider is not operating in material compliance with New Hampshire statutes or regulations, or the commission determines that any of the conditions set forth in (2) above are no longer being met by the operations provider or the HHR licensee.
- (f) The commission shall issue an HHR license when:
- (1) All of the information required by (b) above has been submitted and otherwise meets the requirements of this chapter;
 - (2) The applicant has demonstrated effective safeguards and internal controls over the operation, and any significant control deficiencies identified during a commission audit have been resolved;

(3) The applicant has established, by clear and convincing evidence, that they possess the financial stability, the integrity and responsibility to offer gaming to the public; and

(4) Pursuant to RSA 284:15-b, II and RSA 287-D:11, the attorney general determines that the applicant is suitable to be associated with racing and charitable gaming in this state.

(g) An HHR licensee shall not implement any changes or modification of the practices, procedures, or representations upon which the granting of the HHR license was based without the prior written approval of the commission.

(h) If at any time the information provided to the commission in accordance with this chapter has changed, or is otherwise found to be inaccurate, the HHR licensee shall submit updated or corrected information to the commission within 10 days of the event that resulted in the change, or discovery of the inaccuracy.

(i) Except as provided in Lot 8202.03 below, authorization to offer pari-mutuel wagers on historic horse races shall expire in conjunction with the licensee's games of chance license every 5 years, such that authorization granted in conjunction with a 2022 game operator employer license would expire with the game operator's 2026 license.

(j) In accordance with RSA 284:22-b, HHR licenses granted in accordance with this chapter shall not be transferred or sold.

Lot 8202.03 Suspensions, Revocations, and Refusals to Renew an HHR License.

(a) Except as provided in (e) below, the following violations shall be considered grounds for revocation of an HHR license:

(1) Failure to comply with the conditions of the HHR license or this chapter, including maintaining a valid game operator employer license;

(2) Failure to take corrective action following the suspension of a game operator employer or HHR license;

(3) An inability or unwillingness to comply with RSA 287-D, Lot 7200, RSA 284, or this chapter, as demonstrated by a pattern of violations;

(4) Failure to comply with the requirements set forth in Lot 7200 or this chapter or any commission order to submit records, bank statements, or any other paraphernalia associated with the operation of historic horse racing;

(5) Providing false information to the commission, including willfully and knowingly making false statements or making false entries in any books or records with respect to any transaction connected with charitable gaming or the holding, operating, and offering of pari-mutuel wagers on any historic horse races;

(6) Failure to remit any fees or other amounts due to the state;

(7) Hindering or obstructing an authorized representative of the commission in the performance of official duties, such as refusing access to the premises, or failing to produce any books, records or documents for review;

(8) Failure to comply with the terms and conditions of an administrative order issued by the commission in accordance with RSA 287-D:23, VIII;

(9) Failing to pay any administrative, civil, or criminal penalties owed to the commission;

(10) Any conduct by the HHR licensee that undermines the public confidence in charitable

gaming or serves the interest of organized gambling or crime and criminals in any manner;

(11) Manipulating the outcome of any game or otherwise compromising the integrity of charitable gaming or historic horse racing;

(12) Participating in illegal activities including possessing illegal gambling equipment, or permitting illegal gambling in the premises;

(13) Willfully and knowingly conducting business with unauthorized entities or individuals;

(14) Any material violation of RSA 287-D or RSA 284, as it applies to charitable gaming, historic horse racing, or this chapter; or

(15) Operating games or wagers without a valid license or other governmental authority in any state or commonwealth in the United States.

(b) Upon the effective date of the revocation, the HHR licensee shall immediately cease holding itself out to the public as an HHR licensee of the commission, and cease engaging in any act for which HHR licensing is required.

(c) Failure to comply with (b) above shall constitute separate grounds for further disciplinary action.

(d) If an HHR license has been revoked, the commission shall not issue a subsequent HHR license until:

(1) The passage of the amount of time specified in the revocation order;

(2) The HHR licensee submits an application in accordance with this chapter;

(3) The HHR licensee demonstrates that the cause for revocation no longer exists; and

(4) The HHR licensee demonstrates that any corrective actions that were ordered by the commission have been fully implemented.

(e) Grounds for a suspension shall exist when, one or more violations are grounds for HHR license revocation, as set forth in (a) above, but the HHR licensee did not act with the intent to deceive, and the deficiencies can be corrected to conform to applicable requirements.

(f) Upon the effective date of the suspension, the HHR licensee shall immediately cease engaging in any act for which an HHR license is required until the commission grants reinstatement pursuant to (i) below.

(g) Failure to comply with (f) above, shall constitute separate grounds for further disciplinary action.

(h) The minimum period for suspension shall be that amount of time necessary for the HHR licensee to take corrective action ordered by the commission and return to compliance.

(i) The commission shall reinstate a suspended HHR license when:

(1) The HHR licensee submits to the commission a written request for the HHR license to be reinstated with documentation demonstrating that all of the corrective actions ordered by the commission have been taken; and

(2) The commission determines that all corrective actions have, in fact, been taken and the HHR licensee has returned to compliance.

(j) If the commission does not grant the request for reinstatement it shall so notify the petitioner and

provide the opportunity for a hearing.

(k) A suspension shall have no effect upon the expiration of an HHR license.

(l) If, after receiving a request for an HHR license, the commission has information that indicates that a reason, as set forth in (a) above, exists to refuse the request, the commission shall inform the HHR licensee of the information and offer an opportunity for the HHR licensee to respond to the information prior to a decision being made on the application.

(m) The commission shall not issue an HHR license until such time as the reason(s) for the refusal have been corrected.

(n) Any person aggrieved by a decision of the commission to deny, suspend or revoke an HHR license may apply to the commission for a rehearing within 15 business days of the decision. Rehearings and appeals shall be governed by RSA 541 and Lot 200.

Lot 8202.04 Responsible Gaming Plan.

(a) Each HHR licensee shall post and make readily available to its patrons a copy of its responsible gaming plan that outlines the HHR licensee's efforts to:

- (1) Identify problem gamblers,
 - (2) Take steps to prevent such individuals from continuing to engage in gambling, and
 - (3) Provide education and assistance to these individuals to address problem gambling activity.
- (b) The HHR license shall include the following in its responsible gaming plan:
- (1) Materials related to problem gaming, and resources available to patrons expressing concerns about problem gaming;
 - (2) Options available for patrons to self-exclude from wagering for a specified time period or permanently;
 - (3) The following requirements:
 - a. The conspicuous posting of a sign where pari-mutuel wagers are conducted that bears a toll-free number approved by the Council for Responsible Gambling or other organizations that provide assistance to problem gamblers;
 - b. Providing of informational leaflets or other similar materials to patrons expressing concerns about problem gambling, house imposed player limits, and self-exclusion plans; and
 - c. Including in the HHR licensee's promotional and marketing materials information on problem gambling and organizations that provide assistance to problem gamblers;
 - (4) If the licensee becomes aware of a patron who has suffered significant financial losses in repeated visits to the licensee's facilities, provide such patron with information on organizations that provide assistance to problem gamblers;
 - (5) If the HHR licensee holds a license from the New Hampshire liquor commission 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 New Hampshire council for responsible gambling, the national

council on problem gambling, or other similar organization to identify and promote best practices for preventing problem gambling;

(7) Training of employees who have contact with patrons, as well as administrative and corporate staff members, to be aware of and respond to situations where a patron exhibits warning signs of a gambling problem or where a patron discloses they may have a gambling problem; and

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

(c) Failure to comply with responsible gaming obligations can result in penalties and other sanctions for operators.

PART Lot 8203 OPERATIONAL REQUIREMENTS FOR HISTORIC HORSE RACING

Lot 8203.01 General Requirements for the Operation of Historic Horse Racing.

(a) Pari-mutuel wagers on historic horse races shall only take place in a designated area within the enclosure of the facility at which the licensee holds its licensed activities under RSA 287-D.

(b) In addition to the requirement in (a) above, prior to July 1, 2024:

(1) The sale of pari-mutuel wagers on historic horse racing shall only take place within the city or town in which the game operator employer held its license on May 1, 2020; and

(2) The locations authorized by the commission shall be the same in number and municipality as the game operator employer licenses that existed as of May 1, 2020.

(c) The sale of pari-mutuel wagers on historic horse racing shall only take place:

(1) In conjunction with, and during the same hours of operation as the licensee's games of chance events; and

(2) In designated areas that are 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 who is otherwise not permitted to place wagers.

(d) The HHR licensee shall contract with 2 licensed charitable organizations for each game date who will equally share in the revenue generated by the games of chance and historic horse racing offered at the event.

(e) A valid license issued in accordance with RSA 287-D shall be required for any person who:

(1) Is party to, engages in, or supervises others in the operation of historic horse racing in any capacity;

(2) Has access to sensitive areas relative to historic horse racing, including the internal components of the terminal, or the areas where the surveillance and operating systems are housed; or

(3) Has authority to sign checks or withdraw funds from the historic horse racing accounts.

(f) The HHR licensee shall develop, implement, and adhere to written internal control policies and procedures designed to ensure effective control over the gaming operation by discouraging and protecting against illicit behavior and safeguarding the integrity of the games.

(g) The internal controls required by (a) above shall meet or exceed the requirements set forth in Lot 7206.08.

(h) Pursuant to RSA 287-D:14, XVIII, no historic horse racing game shall be offered for play unless the game has been approved by the commission in accordance with Lot 8204 below.

(i) An HHR licensee shall maintain at least 2 wagering devices offering the same type of pari-mutuel wager on all historic horse races, such that they are competing for a common pari-mutuel pool or set of pools.

(j) The number of historic horse racing wagering devices at each location shall be limited by the following:

(1) The portion of the active gaming area allocated for the operation of historic horse racing shall not exceed 65 percent;

(2) With the exception of locations with fewer than 20 wagering devices, no more than 55 percent of all wagering devices at a given location shall be from any single terminal provider; and

(3) Gross revenue from historic horse racing shall not exceed 4 times that of the gross revenue for GOC as assessed quarterly.

(k) In the event gross revenue from historic horse racing exceeds the limit set by (j)(3) above, the resulting excess in revenue shall be distributed to the charities that hosted gaming events within the assessed time period, and the state in the same manner described in Lot 8203.03(b) below.

(l) The HHR licensee shall:

(1) Conspicuously post or otherwise make the following information available within the terminal for patrons to access and review;

a. A general explanation of pari-mutuel wagers offered on historic horse races, including handicapping options; and

b. An explanation of each betting pool offered;

(2) Provide terminals that are accessible to handicapped persons; and

(3) Prohibit patrons from using electronic or other assistive devices to aid them in determining the outcome of a race prior to placing a bet.

(m) Each HHR licensee shall maintain complete records of all pari-mutuel transactions on historic horse races, including the amounts wagered at each terminal.

(n) A copy of the wagering records shall be retained and safeguarded for a period of no less than 2 years, and made available upon request from the commission.

Lot 8203.02 Wagers, Pools and Payouts.

(a) All wagers offered on historic horse racing shall:

(1) Be under the pari-mutuel system of wagering;

(2) Not adversely affect the integrity of historic horse racing or pari-mutuel wagering in the state of New Hampshire; and

(3) Comply with RSA 284:22-b and this chapter.

(b) The maximum wager shall not exceed \$25.

(c) Wagers made under this chapter shall be made with cash, or any other means approved by the commission.

(d) The wager less takeout shall be placed in pari-mutuel pools found to be in compliance with RSA 284 and this chapter.

(e) The outcome of each wager shall be based solely on the outcome of the historic horse race or races; no random elements may determine the outcome of the patron's wager.

(f) The payout on any wager shall not be less than the amount wagered, or greater than the amount available in the applicable pari-mutuel pool(s) together with any associated seed pool(s).

(g) The pari-mutuel pools shall be funded and maintained in a manner and method that ensures that the amount available in the pari-mutuel pool(s) together with any associated seed pool(s) at any given time is sufficient to ensure that a patron will be paid the minimum amount required on a winning wager.

(h) All prizes awarded from a historic horse race wager shall be awarded from an existing pari-mutuel pool(s) consisting only of money wagered by patrons, together with funds in any associated seed pool(s).

(i) Controls shall be in place to ensure that depletion of the pari-mutuel pools, plus funds in any associated seed pool(s), below an amount required to pay all winning tickets shall be detected at the time of depletion.

(j) The HHR licensee shall immediately notify the commission in the event of the suspension of wagering activity of any historic horse racing pari-mutuel pool(s).

(k) Wagers shall not be conducted in a manner in which the amount retained by the HHR licensee, also known as the takeout, is dependent upon the outcome of any particular race or the success of any particular wager.

(l) The cash value of free bets and promotional credits shall be exempted from the revenue subject to charity allocation and payments to the state so long as the cash value of such promotions does not exceed 15 percent of the total revenue from historic horse racing for the given month. HHR licensees may provide free bets and promotional credits in excess of this allowance, however, the cash value of the free bets or promotional credits in excess of the allowance shall be included in the accounting of gross revenue subject to charity and state allocations.

(m) Winning pari-mutuel wagers shall be processed according to U.S. Internal Revenue Service reporting requirements for the taxation of pari-mutuel horse racing.

Lot 8203.03 Distribution of Revenue.

(a) As set forth in RSA 284:22-b, V, the HHR licensee shall collect a takeout on all historic horse racing pari-mutuel pools at a rate of not greater than 12 percent.

(b) In accordance with RSA 284:23, I(d), the HHR licensee shall distribute 25 percent of the takeout as following:

(1) The two charitable organizations sponsoring the event shall share in 35% of the funds; and

(2) The remaining 65% of the funds shall be paid to the commission monthly.

(c) In the event the amount of revenue cannot be equally split between the two charitable organizations, the HHR licensee shall round up to the nearest penny, so that an even split can be attained.

(d) The licensee shall distribute and report the revenue from historic horse racing with the revenue distribution and reporting for games of chance, as set forth in Lot 7208.02 and Lot 7208.03.

(e) In accordance with RSA 284:22-b, V, the HHR licensee shall submit 100 percent of the

breakage collected from winning wagers to the commission for problem gambling services.

PART Lot 8204 REQUIREMENTS OF THE HISTORIC HORSE RACING TERMINALS

Lot 8204.01 General Requirements.

(a) All terminals and related equipment shall be subject to inspection by the commission without notice.

(b) Each terminal shall:

- (1) Be tested by an independent testing laboratory, approved by the commission, and found to be in compliance with RSA 284, this chapter, and all applicable technical standards. Any material modifications made to the terminal require re-testing;
- (2) Use only race data from a pari-mutuel facility, within the United States or other regulatory jurisdictions recognized by the commission, licensed at the time the race was actually held;
- (3) Provide race information that is current as of the day the horse race was actually run;
- (4) Not accept a wager in excess of \$25.00; and
- (5) Not be in the nature of a slot machine. A terminal shall not be considered to be in the nature of a slot machine when it precludes the use of random elements to determine the outcome of a wager, other than the selection of a race or races from a database of races, all wagers and payout calculations are pari-mutuel in nature, and do not include any interest of the licensee other than the authorized takeout and breakage retention.

Lot 8204.02 Authorization to Offer Pari-mutuel Wagers on Historic Horse Racing.

(a) An HHR licensee or the terminal provider shall submit a written request to the commission for permission to offer pari-mutuel wagering on historic horse races. The written request shall include a detailed description of the following:

- (1) The rules that apply to the pari-mutuel wager(s);
- (2) The detailed method of calculating payouts and breakage;
- (3) The method by which seed pools will be used to ensure that sufficient funds exist at all times to pay winning wagers;
- (4) The method by which player money will be transferred from a closed pari-mutuel pool to an open pari-mutuel pool;
- (5) The method of determining a game outcome;
- (6) Available wagering denominations;
- (7) Minimum wager amount;
- (8) Maximum wager amount;
- (9) The amount of takeout for each wager;
- (10) Payout calculations set forth in sufficient detail to audit a payout through manual calculation;
- (11) The minimum payouts and the method of guaranteeing minimum payouts;

- (12) The method of mapping payouts to an entertaining display on the wagering terminal; and
- (13) Any other information provided to an independent testing laboratory for use in the testing of the pari-mutuel wagers.

(b) An HHR licensee may not offer a new or modified display or game without prior approval of the commission as set forth in this chapter.

(c) The HHR licensee shall permit access to the commission's designated integrity auditor for the conduct of an annual validation of the racing data utilized by the terminals.

(d) The HHR licensees under review at any given time shall be jointly responsible for the cost of the service provided by the integrity audit, which shall be prorated based on total handle.

Lot 8204.03 Equipment Requirements for Pari-mutuel Wagers on Historic Horse Races.

(a) Wagers on historic horse races shall be offered on terminals that include a cabinet in which the electronics and other operating components are located.

(b) The terminal shall:

- (1) Protect against electrostatic interference by being grounded so that static discharge energy does not permanently damage or inhibit the normal operation of the electronics or other components within the wagering terminal;
- (2) Have the capacity to recover and complete any interrupted wager without loss or corruption of any control or critical data information in the event that a temporary disruption of the normal operation of a wagering terminal occurs as a result of an electrostatic discharge;
- (3) Be tested to a maximum discharge severity level of 27 kV air discharge;
- (4) Not be adversely affected, other than during resets, by surges or dips of up to 20 percent of the supply voltage, or be protected from such surges by an uninterrupted power supply;
- (5) When designed such that a surge or dip of up to 20 percent of the supply voltage causes a reset, such a surge or dip does not result in damage to the equipment or loss or corruption of data, and upon reset, the game returns to its previous state or returns to a game completion state, provided the game history and all credit and accounting meters comprehend a completed game;
- (6) 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;
- (7) 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;
- (8) Have an identification badge affixed to the exterior of the terminal by the terminal provider that is not removable without leaving evidence of tampering, and includes the following information:
 - a. The name of the terminal provider;
 - b. A unique serial number;
 - c. The terminal model number; and
 - d. The date of manufacture;

- (9) 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;
- (10) 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;
- (12) Have external doors that are locked and monitored by door access sensors, and when opened, the door access sensors:
- a. Cause game wagering activity to cease;
 - b. Disable all currency acceptance;
 - c. Enter an error condition;
 - d. Illuminate the tower light at a minimum; and
 - e. Record the error condition;
- (13) Have external doors designed so that it is 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;
- (14) Have a sensor system that provides 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;
- (15) Have one or more logic areas to house the following electronic components:
- a. A central processing unit and any program storage device that contains software that may affect the integrity of wagers, 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, is kept within a locked logic area; and
- (16) If the terminal is accepting currency, have a currency storage area that:
- a. Is separately keyed;
 - b. Fitted with sensors that indicate “door open/close” or “stacker receptacle removed”; and
 - c. Secured by two locks before the currency can be removed, which are located on the relevant outer door and on at least one other door.
- (c) The communication system shall comply with industry standards and accepted support for the slot accounting system (SAS) protocols for:
- (1) Ticket in/ticket out (TITO), which allows a player to easily move money from one machine to another regardless of the terminal’s denomination or terminal provider; and

(2) A back office system(s), which compiles certain data from terminals at the facility into a single reporting mechanism.

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

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

(f) An unrecoverable corruption of critical memory shall result in an error state which will:

- (1) Not be automatically cleared;
- (2) Cause the terminal to cease further functioning;
- (3) Cause any communication external to the terminal to immediately cease; and
- (4) Require restoration or clearing of software state by an authorized person.

(g) 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 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, and the shelf life of the battery shall be at least 5 years;

(3) Nonvolatile memory that uses an off-chip backup power source to retain its contents when the main power is switched off shall:

- a. 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; and
- b. Require access to the locked logic area or other secure method to clear nonvolatile memory; and

(4) Following the initiation of a nonvolatile memory reset procedure:

- a. The game program shall execute a routine that initializes all bits in critical nonvolatile memory to the default state; and
- b. All memory locations intended to be cleared as per the nonvolatile memory clear process shall be fully reset in all cases.

(h) The following shall apply to critical memory of a server-based game

(1) Critical memory of a server-based game may be maintained by the server, terminal, or some combination thereof;

(2) The critical memory related to each wagering device shall:

- a. Be kept independent to all other wagering devices so that, if corruption occurs in any single wagering device's critical memory, no other wagering devices are affected by that corrupt memory state; and

b. Utilize unique identification, such as serial number or other unique wagering device hardware identifier, to clearly identify which physical wagering device the critical memory represents.

(i) All terminals shall be equipped with a device, mechanism, or method for retaining the value of the meter information specified in Lot 8204.05 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.

(j) Configuration setting changes shall not cause an obstruction to the meters.

(k) 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.

(l) There shall not be any mode other than normal wagering operation that debits or credits any of the electronic meters.

(m) 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.

(n) 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.

(o) 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.

(p) Terminals shall have the ability for an independent testing laboratory to perform an integrity check of all software that may affect the integrity of the game using a third party verification tool.

(q) 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.

(r) 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;
- (6) The identification of an invalid bill or voucher; and
- (7) Loss of communication to the totalizator system.

(s) To protect the integrity of the game, when a terminal error condition is detected, the terminal shall secure itself by:

- (1) Ceasing play and requiring operator intervention prior to returning to normal play;

- (2) Display an appropriate error message;
 - (3) Disable bill and voucher acceptance;
 - (4) Sound an alarm, illuminate the tower light, display the error on screen, or any combination of the three;
 - (5) Communicate the error condition to an online monitoring and control system; and
 - (6) If the terminal is powered down with an unresolved error condition, remain in error mode unless power down is used as a part of the error reset procedure.
- (t) 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.
- (u) Terminals shall not be adversely affected by the simultaneous or sequential activation of various terminal inputs and outputs.
- (v) 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.
- (w) Upon exiting from test, diagnostic, or demonstration mode, a terminal shall return to its previous state.
- (x) Video monitor touch screens on terminals shall:
- (1) Be accurate to terminal provider specifications for touch point sensitivity;
 - (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 terminal provider's recommended maintenance period; and
 - (3) Have no hidden or undocumented buttons or touch points anywhere on the screen that affect wagers or that impact the outcome of the game, except as provided by the game rules.
- (y) 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 credits received for the denomination used on the patron's credit meter for each valid bill or voucher;
 - (7) Register 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 to detect and display 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 locked 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.
- (z) Available 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.
- (aa) Each terminal that accepts currency shall be equipped with a printer that:
- (1) Is used to make payments to the patron by issuing a printed voucher;
 - (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.
- (ab) The terminal shall transmit the following data to an online system that records the following information regarding each payout ticket or voucher printed:
 - (1) The value of credits in local monetary units in numerical form;
 - (2) The time of day the ticket or voucher was printed, showing hours and minutes;
 - (3) The date indicating the day, month, and year that the ticket or voucher was issued;
 - (4) The terminal number; and
 - (5) A unique ticket or voucher validation number.
- (ac) Terminals shall be capable of displaying wager recall, which shall:
 - (1) Include the last 10 wagers on the terminal, including at least 50 intermediary steps within those wagers, including free spins and bonus games;
 - (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 credits.
- (ad) Server-stored information shall be backed up no less often than once per day to one of the following locations approved by the commission based on industry standards for logical and physical security:
 - (1) An offsite storage facility; or
 - (2) Through a cloud service provider.
- (ae) The server and offsite backup storage shall be accessible to the commission and subject to third-party checks and validation.

Lot 8204.04 Ticket and Voucher Requirements.

- (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) The HHR licensee's 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 time 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 non-cashable 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 according to the local time zone. This information may be contained on the ticket stock itself.
- (c) 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 HHR licensee.
- (d) All moneys collected during the previous year of pari-mutuel pool tickets and vouchers which have not been redeemed shall be paid to the state treasurer, and be subject to the requirements of RSA 284:31.
- (e) A system shall be used to validate the payout ticket or voucher, and the ticket or voucher information on the central system shall be retained for two calendar years after a voucher is valid at that location.
- (f) Payment by voucher as a method of credit redemption shall only be permissible when the terminal is linked to a computerized voucher validation system, which is able to identify a duplicate ticket or voucher to prevent fraud.
- (g) Validation numbers shall be masked when viewable through any display supported by the terminal such that the entirety of the validation number is not visible.
- (h) 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.
- (i) The offline voucher redemption may be validated as an internal control process. A manual handpay may be conducted for the offline voucher value.
- (j) All prizes, tickets and vouchers shall be paid upon presentation or request by the player during regular business hours.
- (k) The HHR licensee shall maintain an electronic record of all outstanding vouchers for a period of at least 2 years in a format that is accessible to the lottery commission.

Lot 8204.05 Accounting and Occurrence Meter Requirements.

- (a) The required accounting meters and related reporting 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 cash-out 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) Cashless Account Transfer In (Wagering Account Transfer In or WAT In), which accumulates the total value of cashable credits electronically transferred to the gaming device from a wagering account by means of an external connection between the device and a cashless wagering system;
 - (9) Cashless Account Transfer Out (Wagering Account Transfer Out or WAT Out), which accumulates the total value of cashable credits electronically transferred from the gaming device to a wagering account by means of an external connection between the device and a cashless wagering system;
 - (10) Non-cashable electronic promotion in (NCEP In), which accumulates the total value of non-cashable credits electronically transferred to the gaming device from a promotional account by means of an external connection between the device and a cashless wagering system from vouchers accepted by the terminal;
 - (11) Cashable electronic promotion in (CEP In), which accumulates the total value of cashable credits electronically transferred to the gaming device from a promotional account by means of an external connection between the device and cashless wagering system;
 - (12) Non-cashable electronic promotion out (NCEP Out), which accumulates the total value of non-cashable credits electronically transferred from the gaming device to a promotional account by means of an external connection between the device and a cashless wagering system;
 - (13) Cashable electronic promotion out (CEP Out), which accumulates the total value of cashable credits electronically transferred from the gaming device to a promotional account by means of an external connection between the device and a cashless wagering system;
 - (14) Coupon Promotion In, which accumulates the total value of all gaming device promotional non-cashable coupons accepted by the device;
 - (15) Coupon Cashable In, which accumulates the total value of all gaming device promotional cashable coupons accepted by the device; and
 - (16) Coupon Promotion Out, which accumulates the total value of all gaming device promotional non-cashable coupons issued by the device.
- (b) Additional required occurrence meters are as follows:
- (1) Cashable promotional credits wagered, which accumulates the total value of promotional cashable credits that are wagered. This includes credits that are transferred to the machine electronically or through the acceptance of a coupon or voucher;
 - (2) Non-Cashable promotional credits wagered, which accumulates the total value of

promotional non-cashable credits that are wagered. This includes credits that are transferred to the machine electronically or through the acceptance of a coupon or voucher;

(3) Games wagered, which accumulates the number of wagers placed; and

(4) 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 wagers shall display the units in dollars and cents at all times.

(g) Any time the meter exceeds a value it is not capable of supporting, 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) Meters can be on the server instead of the terminal.

Lot 8204.06 Historic Horse Race Specifications and Selection Requirements.

(a) The outcome of any historic horse race wager shall be derived from the result of one or more historic horse races.

(b) All historic horse races must be chosen at random from a database of actual, historic horse races having valid historic horse race results 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;

(4) Jockey name or identifier;

(5) Race number; and

(6) Official order of finish.

(c) In the case where a random number generator is used to select the historic horse races for a wager, all possible races or set of races in the database for the currently specified pari-mutuel wager shall be available for selection.

Lot 8204.07 Wagering Terminal Historic Race Display.

(a) All wagering terminals shall:

(1) Clearly identify the entertaining game theme, if any, being used to offer pari-mutuel wagers on historic horse racing; and

- (2) Make the following information available to the patron:
 - a. All payable information, rules of play, and help screen information;.
 - b. The award that will be paid to the patron when the patron obtains a specific win; and
 - c. The rules of any features or interactive functions that may occur as part of the entertaining display of the wager and its outcome;
 - (3) Display the race data in graphic or other discernible format, and in a reasonable manner as to not discourage patrons who wish to handicap from doing so; and
 - (4) Allows the patron to compare all of their picks against the true order of finish.
- (b) Prior to the patron making his or her wager selections, the terminal shall:
- (1) Make true and accurate past performance information available on each horse in each historic horse race; and
 - (2) Not display any information that would allow the patron to identify the historic race on which the patron is wagering, including:
 - a. The location of the race;
 - b. The date on which the race was run;
 - c. The names of the horses in the race; or
 - d. The names of the jockeys who rode the horses in the race.
- (c) In addition to the requirement of (b)(2) above, the terminal may also 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 HHR licensee to the commission.
- (d) After the results of a patron's wager are determined, the terminal shall display:
- (1) The patron's selections;
 - (2) The identity and official results of each race; and
 - (3) A replay or recreation of the race or races, or a portion thereof, whether by digital, animated, or graphical depiction or by way of a video recording.
- (e) The video display required by (d)(3) above shall be of a size and quality that allows the player to reasonably view and determine the outcome of the horse race or races.
- (f) Approximate odds or payouts for each wagering pool shall be posted or made available on each terminal for viewing by patrons at intervals of no more than ninety (90) seconds.
- (g) The display shall clearly indicate whether awards are designated in credits or currency.
- (h) All wagering terminals shall display or otherwise make available 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) An affixed disclaimer stating “Malfunction Voids All Pays” or some equivalent wording. This may be presented as a decal or sign on the terminal.
- (i) The default game display upon terminal reset shall not exclusively show false winning outcomes.
 - (j) 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 historic 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.
 - (k) 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.
 - (l) A wager is complete when the final transfer to the patron’s credit meter takes place or when all credits wagered are lost.

Lot 8204.08 Required Reports, Audits and Inspections.

- (a) All systems used for pari-mutuel wagering on historic horse races shall provide financial reports for individual approved wager model configurations and total pool amounts for each pool.
- (b) The reports required by (a) above shall be delivered to the commission and its designated integrity auditor by a delivery method and electronic format acceptable by the commission no later than 8 hours after the conclusion of all operations for the day, with information current since the end of the last wagering day, and 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 amount of the takeout for all pools;
 - (5) Total breakage for all pools;
 - (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;
 - (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; and
 - (12) A complete detailed list of pari-mutuel wagering transactions per day per location per math method per game.
- (c) Each HHR licensee shall annually submit to the commission on or before June 1 an annual financial report that includes, at a minimum:
- (1) A balance sheet;
 - (2) An income statement;
 - (3) A statement of changes in retained earnings; and
 - (4) A statement of changes in financial position and the applicable notes to those financial statements for the prior year's operations of the person, association, or corporation.
- (d) The annual financial report required by (c) above shall:
- (1) Be audited by a certified public accountant licensed to practice in the state of New Hampshire in accordance with RSA 309-A; and
 - (2) Conform to generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants.
- (e) The HHR licensee or the terminal provider(s) under contract with the licensee shall annually submit a SOC 1 SSAE 18 Type 2 report that demonstrates compliance with the standards, and verifies that the internal controls over financial reporting are effective and working appropriately.
- (f) The HHR licensee shall include historic horse racing when fulfilling its requirement under Lot 7207.04(p) relative to the minimum bankroll analysis.
- (g) 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 an HHR licensee in conducting operations under this chapter.

APPENDIX

RULE	SPECIFIC STATE STATUTE THE RULE IMPLEMENTS
Lot 8201	RSA 284:22-b
Lot 8202	RSA 284:6-a, VI, RSA 284:12-a, I, RSA 284:21-h, VIII, RSA 284:22-b, II and RSA 284:22-b, VI
Lot 8203	RSA 284:6-a, VII and RSA 284:22-b
Lot 8204	RSA 284:6-a VI and RSA 284:22-b, III