CHAPTER 10
--- ACCOUNT WAGERING ---

100's- ELECTRONIC ACCOUNT WAGERING

10.102 – The Colorado Racing Commission authorized pari-mutuel wagering entity may offer a system of electronic wagering whereby, wagers and withdrawals are debited and winning payoffs and deposits are credited to an account held by an authorized wagering entity on behalf of an account holder provided:

(1) Prior Commission approval is granted for the account wagering system.

(2) Accounts are restricted for pari-mutuel wagering purposes only.

(3) Account wagers are deemed to be racing simulcast common pool wagers for all purposes.

10.104 – Authorized pari-mutuel wagering entities are authorized to conduct Electronic Wagering Account activity pursuant to the written plan of operation approved by the Commission. The plan of operation shall include, at a minimum:

(1) Systems of processing wagers.

(2) Internal controls for account wagering.

(3) Account wagering rules.

(4) A plan for disbursement of funds from dormant accounts.

10.106 – Accounts shall be used for wagering purposes only. Authorized pari-mutuel wagering entities may establish/open accounts for individuals provided the following minimum requirements are met:

(1) An account holder shall be a natural person eighteen (18) years of age or older.

(2) Accounts shall be opened in accordance with procedures set forth in a plan of operation approved by the Commission.

(3) Account holders shall provide their age, address, mailing address, phone, and date of birth.

(4) The application shall be signed by the applicant.

(5) A copy of each properly validated credential will be maintained with the appropriate account application.

(6) Account is non-transferable.

(7) The authorized pari-mutuel wagering entity shall provide rules governing the conduct of account wagering to the account holder either in person or online.

(8) The authorized pari-mutuel wagering entity shall notify the account holder whenever rules have changed and provide a copy of such changes either in person or online.

(9) The authorized pari-mutuel wagering entity may require a minimum balance consistent with their internal controls.

(10) Bank account number and other necessary information are required if the account holder desires to make electronic fund transfers.

10.108 – The address listed on the account wagering application is deemed the account holder's official address for purposes of this section. The authorized pari-mutuel wagering entity shall use the official address for all mailings, including notices, checks, withdrawal slips, account statements and other correspondence.

10.110 – The authorized pari-mutuel wagering entity shall provide a method for the account wagering holder to make official changes to his/her account information. The method shall include the name, date, address, account wagering identification number, PIN, and signature.

10.112 –

(1) The authorized pari-mutuel wagering entity may exclude anyone from opening an account based on business judgment.

(2) The authorized pari-mutuel wagering entity shall refuse an account to:

(a) Known or reputed bookmakers;

(b) Any person who engages in any activity, which is deemed to be a gambling offense under Colorado Law.

(c) A known fugitive from justice; and

(d) Persons on the entity's self-exclusion list.

10.114 –

(1) Electronic Account wagers shall only be transacted through an electronic account wagering center.

(2) The authorized pari-mutuel wagering entity may accept account wagers via any wired or wireless communications device, including but not limited to, wireline telephones, wireless

telephones and the internet, subject to applicable laws, rules and the approved plan of operation.

(3) The authorized pari-mutuel wagering entity shall:

(a) Require the account holder to provide the account wagering identification number and PIN before an account wager is accepted.

(b) Confirm all account wagering transactions before acceptance of an account wager.

(c) Verify that the account has sufficient funds to pay for the wager. No wager or portion of wager shall be accepted if the account fails to have sufficient funds to cover the wager.

(d) Debit the total amount of the wager from the account immediately after verifying wager.

(e) Not accept any account wager if the recording devices are inoperable.

10.116 – For purposes of this section, all wagers placed through the account wagering system are deemed pari-mutuel tickets and are subject to all rules and laws governing pari-mutuel tickets.

10.118 – Withdrawals may be made by completing a request for withdrawal in accordance with procedures set forth in a plan of operation approved by the commission. The request for withdrawal shall include, at a minimum:

(1) The account holder's name;

(2) The account identification number;

(3) The account holders signature, (except for electronic fund transfers) and;

(4) The date the request for withdrawal was made.

(5) Fund transfers may be made via alternate means pursuant to an approved plan.

(6) Withdrawals can be for all or any portion of the account holder's balance.

(7) The authorized pari-mutuel wagering entity shall process all requests for withdrawals made via mail within five business days of receiving the request. All other requests for withdrawals shall be processed immediately. If the request is incomplete or required information is missing, the authorized pari-mutuel wagering entity must notify the account holder of the required information as soon as possible.

(8) If the account does not contain sufficient funds to cover the requested withdrawal, the authorized pari-mutuel wagering entity shall release the remaining funds and notify the account holder.

10.120 –

(1) Deposits to existing accounts may be made by an account holder in the form of cash, cash equivalent, check, or other method as specified in the plan of operation.

(2) Deposits shall be credited to the account promptly after receipt and verification of funds; personal checks will be held for a period of up to 10 business days before crediting the account.

(3) Funds from winning wagers shall be credited to the account immediately after a race is declared official. However, funds from winning wagers subject to Internal Revenue Service reporting requirements shall be held and not available for use until compliance with applicable State of Colorado Intercept Regulations and Internal Revenue Service reporting requirements have been met.

(4) Credits for other transactions are only permitted to the extent of the approved plan of operation.

10.122 –

(1) Upon written request, the authorized pari-mutuel wagering entity shall make available to the account holder any monthly statement from the current or the previous calendar year.

(2) Upon written request, the authorized pari-mutuel wagering entity shall make available to the account holder a statement beginning on the last day of the prior requested period through the date of written request.

10.124 –

(1) The authorized pari-mutuel wagering entity shall maintain records of every deposit, withdrawal, wager, winning payoff and other credit and debits to an account for a period of 18 months.

(2) The authorized pari-mutuel wagering entity shall ensure that wagers are accepted only at designated telephone numbers and account wagering centers.

(3) The authorized pari-mutuel wagering entity shall record electronic wagering accounts as a separate liability on its books and records.

10.126 – The authorized pari-mutuel wagering entity, its employees and agents may not divulge any account information without the express written permission of the account holder, except to the Commission, by Commission order, or as may otherwise be prescribed by law.

10.128 – Accounts may be closed at the request of an account holder made in-person or by mail or other method consistent with the plan of operation. For those requests made by mail,

authorized pari-mutuel wagering entities shall mail to the account holder's official address or send via electronic funds transfer to the account specified in the account wagering application, all funds within five business days of receiving such request.

10.130 – The authorized pari-mutuel wagering entity shall deactivate all accounts if there is no account wagering activity during a period of 12 consecutive months. All monies in such dormant accounts shall be distributed in accordance with the entity's approved plan of operation.

10.132 – All funds in an electronic wagering account shall remain the property of the electronic wagering account holder.

10.134 – For purposes of this section, vouchers are not accounts or account wagers. Vouchers may only be used to place wagers in-person and only pursuant to an approved plan of operation.

10.136 – Authorized pari-mutuel wagering entities shall audit or caused to have audited, the electronic wagering account system's data input and account updates, not less than once during each calendar year. Such reports shall be provided to the Division upon request.

10.138 – Subject to applicable laws, customer disputes concerning account transactions shall be addressed by the electronic wagering department supervisor, or such other pari-mutuel supervisor as may be designated by the authorized pari-mutuel wagering entity's management. Such designation must be in writing. The electronic wagering department supervisor or appropriate designee shall approve all final resolutions of account disputes. Documentation of all disputes and final resolutions shall be maintained by the authorized pari-mutuel wagering entity for a period of one (1) year from the end of the year the dispute was resolved.

10.140 – If the Division determines that a certain computer printout, mutuel report, or other totalisator or mutuel record is needed to perform the official's regulatory duties, the official shall request the item from the electronic wagering department supervisor or his designee and/or totalisator company representative. On receipt of a request under this section, the electronic wagering supervisor and/or totalisator company representative shall make the information available to the official no later than the deadline established by the official or provisions of this sub-chapter.

200's---LICENSING OF PERSONS ACCEPTING WAGERS FROM COLORADO RESIDENTS AND OPERATION OF OUT-OF-STATE PARI-MUTUEL WAGERING FACILITIES

10.202 – Pursuant to Section 12-60-501(2)(d), C.R.S., prior to accepting wagers from Colorado residents, a person or persons operating an out-of-state pari-mutuel wagering facility, shall file an application for, and be granted a license by, the Colorado Racing Commission.

10.204 – Each licensed and authorized pari-mutuel wagering entity located out-of-state, shall utilize totalisator company equipment and software that are in compliance with the Colorado Racing Commission totalisator standards and satisfies the record keeping and reporting requirements of the Commission.

10.206 – A source market fee as established pursuant to Sections 12-60-501(2)(d) and 12-60-202(3)(h), C.R.S., and Rule #3.105, shall be paid monthly by an authorized licensed advanced deposit wagering service provider for the source market fee area on all accounts that have Colorado as the principal residence address. Source market fees imposed on persons licensed, shall not exceed ten percent of the gross receipts of all pari-mutuel wagering by Colorado residents conducted by such persons at out-of-state simulcast facilities. The source market fee shall be paid to the Racing Cash Fund established in Section 12-60-205, C.R.S., through the Division on the tenth business day of the month immediately following the month in which each performance took place. If payment is via wire transfer and the fees are due on a Saturday, Sunday or holiday, the transfer may be made on the next business day.

10.208 – The authorized pari-mutuel wagering entity shall make available all electronic wagering account information to the Colorado Division of Racing Events as requested.