

GUIDELINE FOR HISTORIC HORSE RACING FACILITIES TO GO-LIVE UPON LICENSURE

The purpose of this document is to provide practical guidance on how to move from the completion of the application process to a launch of live historic horse racing machines. The application review is roughly divided into two parts. The first part is a suitability review of the parties to the application which is performed by the Lottery Commission and reviewed by the Attorney General's office. The second part of the process is a review of the operational plan of the facility. Both parts of the application process occur simultaneously, and both must be completed in order to be granted a license to operate historic horse racing machines.

After receiving a finding of suitability and doing a full review of the operations plan, the Lottery Commission must still take a few final steps before it can issue a license. The following is the anticipated procedure for completing the license process and moving to a go-live status:

1. The Lottery Commission will notify the Applicant that they have been determined to be suitable and the Lottery Commission has reviewed and approved all relevant parts of the Operations Plan. At that point, the applicant may complete any installations that have not been previously approved and power up machines in testing mode.
2. The Applicant and Lottery Commission will meet to determine a go-live schedule which will include:
 - a. The dates that the Applicant will be testing machines
 - b. The date that surveillance will be ready for inspection
 - c. The proposed soft-launch date
 - d. The proposed full public launch date
3. The Lottery Commission will schedule an inspection prior to the launch date for the purposes of:
 - a. Confirming that the installation matches submissions
 - b. Confirming that the software is consistent with lab certifications
 - c. Confirming the surveillance coverage is complete
 - d. Confirming that the terminals and financial reporting have been tested and validated
 - e. Confirming that the internal controls surrounding drop procedures, the money route, and counting procedures are in place.
4. A test plan should be submitted to the Lottery Commission in advance of the first inspection outlining the controlled testing and expected results. Documented results of the testing should be provided at the time of the inspection including the investigation of any variances identified. The items to be validated during testing should include:

- Total handle
- Prizes paid
- Free play
- Takeout %
- Breakage
- Payout %
- Seed pool changes

In addition, bill validators should be tested to ensure the amount of cash input into a terminal is reflected on system reports.

Testing should include cash in, vouchers in and vouchers out. If free play is to be offered, promo vouchers and/or player card promo credit must also be tested.

5. Following the inspection, the Lottery Commission will do one of the following:
 - a. Grant the license to begin offering HHR wagers
 - b. Grant the license subject to conditions
 - c. Not grant the license and provide a “punch list” of issues to be resolved before a re-inspection is made.
6. If a license is issued, the Lottery Commission will schedule a follow-up inspection following the initiation of live play to review the internal controls in practice and provide any feedback on issues to be resolved.

Licensees should note that these steps should also be utilized for material changes to the Operations Plan, including but not limited to addition of terminals after the initial go-live.

This guideline sets out a general process that should be applicable in most cases, however, we recognize that not all circumstances are the same. It is imperative that the Applicant/Licensee maintain communication with the Lottery Commission relating to their installation, testing and go-live plans.