

GUIDANCE ON TOTALIZATOR SYSTEMS – HISTORIC HORSE RACING

We have been asked to provide an interpretation on Administrative Rule Lot 8203.01(n) which states “[f]or locations with more than 50 wagering devices, no more than 55 percent of all wagering devices at a given location shall be from any single totalizator system.” Specifically, we have been asked whether this requirement means that totalizators from different companies are needed or whether a single totalizator company can supply multiple totalizator systems to meet this requirement.

During the rulemaking process, the Lottery Commission discussed this proposed rule on several occasions. The Commission wrote the rule for the specific purpose of protecting the financial interests of the charities that will be participating in historic horse racing. Specifically, the Commission wanted to ensure that the historic horse racing operation would have diversity and competition in game offerings to ensure that operators could select the most profitable games for the charities. Similarly, the Commission wanted to ensure that there was sufficient redundancy so that a single technical point of failure could not completely disrupt the gaming floor and risk the charitable contribution for that game date.

Based on the Lottery Commission’s concerns relating to diversity and competition of games and redundancy of operation, the intent of the rule was to require totalizator systems from separate and unique companies. As we review applications for historic horse racing licenses, this is the interpretation we intend to follow.