

CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: Ohio State Racing Commission

Regulation/Package Title: Chapter 3 NO CHANGE RULES

Rule Number(s): 3769-3-01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 99

Date: September 24, 2018

These rules are no-change rules and may be found by accessing the Commission's website at www.racingohio.net.

Rule Type:

New

5-Year Review

Amended

Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Regulatory Intent

1. Please briefly describe the draft regulation in plain language.

3769-3-01 defines win, place and show pools. Eighteen percent is deducted from the pools. The regulation describes betting interests if owners and/or trainers have more than one horse in the race.

3769-3-02 defines exotic wagering. Twenty two and one half percent is deducted from each exotic wagering pool. There are procedures the permit holders must follow.

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3769-3-03 No permit shall be issued to an applicant unless a totalizator system approved by the commission is installed for parimutuel wagering.

3769-3-04 The rule states wagering must close and parimutuel machines will be locked by electrical control at the time the starting gate opens.

3769-3-05 If there is less than a certain number of horses in a race, the permit holder may prohibit certain types of wagers.

3769-3-06 The permit holder must display the odds in the race.

3769-3-07 The permit holder is required to number each location where wagers are accepted. The employees must have a name tag. It also discusses a wager above one hundred dollars can be cancelled.

3769-3-08 The permit holder is required to keep records of all wagering.

3769-3-09 The permit holders' requirements if there is less money in the pool to pay all the winning bets.

3769-3-10 The permit holders' requirements if there is an overpayment or underpayment for winning wagers

3769-3-11 If there is an emergency not discussed in these rules, the permit holder can decide the next steps and inform the commission the following day.

3769-3-12 The rule describes win, place and show calculations from the pools to distribute funds to the person that place a winning bet.

3769-3-13 The permit holders' requirements if no money was wagered on the horse that finished first.

3769-3-14 The permit holders' requirements if no money was wagered on the horse that finished second.

3769-3-15 The permit holders' requirements if no money was wagered on the horse that finished first, second and/or third horse in the show pool.

3769-3-16 The permit holders' requirements if there is a dead heat for first place.

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- 3769-3-17 The permit holders' requirements if there is a dead heat for second place
- 3769-3-18 The permit holders' requirements if there is a dead heat for third place
- 3769-3-19 The permit holders' requirements for the daily double pool.
- 3769-3-20 The permit holders' requirements for quinella wagering.
- 3769-3-21 The permit holders' requirements for perfecta or exacta wagering.
- 3769-3-22 The permit holders' requirements for trifecta wagering.
- 3769-3-23 The permit holders' requirements for superfecta wagering.
- 3769-3-24 The permit holders' requirements for twin trifecta wagering.
- 3769-3-25 The permit holders requirements for tri-super wagering.
- 3769-3-26 The permit holders requirements for twin-super wagering.
- 3769-3-27 The permit holders requirements for win-three pools wagering.
- 3769-3-28 The permit holders' requirements for pick (n) wagering.
- 3769-3-30 The permit holders' requirements for quinella double and perfecta double wagering.
- 3769-3-32 The permit holders' requirements for telephone account wagering.
- 3769-3-33 The permit holders' requirements when there is an emergency and the common pools do not comingle funds.
- 3769-3-34 The permit holders' requirements for place pick (n) pools.
- 3769-3-35 The permit holders' requirements for super high five wagering.
- 3769-3-36 The permit holders' requirements for exacta (n) wagering
- 3769-3-37 The permit holders' requirements for pick(n) position (x) wagering.

3769-3-38 The permit holders' requirements for team wagering.

3769-3-39 The permit holders' requirements for future wagering.

3769-3-40 The permit holders' requirements for fortune pick (n) wagering.

3769-3-99 The penalties the commission may impose.

2. Please list the Ohio statute authorizing the Agency to adopt this regulation.

R.C. 3769.03

3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?

No, it is not part of any federal program

4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.

The Commission is the only entity that regulates horse racing in Ohio. No, it is not part of any federal program.

5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

There is a need to define different possible wagers and to define the procedure to payout for these wagers and to inform the betting public and the permit holders the procedure if certain situations occur.

6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

These rules have been in place for some time and the Commission believes the success of these rules has been demonstrated.

Development of the Regulation

7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

The primary stakeholders are the seven commercial permit holders and members of the horsemen's association who are required to implement and/or follow these rules.

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8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

These rules were provided to the industry for comments. No comments were received for suggested changes. The Commission does not believe that these rules need to be changed.

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

No additional scientific data was used to develop these rules.

10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?

No alternative regulations were considered as these rules have been in existence for several years and no changes were found to be warranted by stakeholders or the commission.

11. Did the Agency specifically consider a performance-based regulation? Please explain.

No, these regulations require permit holders to follow a consistent set of rules for wagers.

12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

No other agency regulates horse racing in Ohio, therefore no duplication will occur.

13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The Commission has employees at all commercial tracks to ensure compliance with these rules.

Adverse Impact to Business

14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community;

The scope of the impacted business community includes the seven-commercial permit holders in Ohio and the licensees associated with horse racing.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

3769-3-01 Eighteen percent is deducted from the pools. The permit holder could be fined or suspended for not following this rule.

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3769-3-02 Twenty two and one half percent is deducted from each exotic wagering pool. The permit holder could be fined or suspended for not following this rule

3769-3-03 The permit holder must have a totalizator system.

3769-3-04 The permit holder could be fined or suspended for not following this rule.

3769-3-05 There is no adverse impact.

3769-3-06 The permit holder could be fined or suspended for not following this rule.

3769-3-07 The permit holder could be fined or suspended for not following this rule.

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3769-3-40 The permit holder could be fined or suspended for not following this rule.

3769-3-99 The penalties the Commission can impose.

c. Quantify the expected adverse impact from the regulation.

3769-3-01 Eighteen percent is deducted from the pools.

3769-3-02 Twenty-two and one-half percent is deducted from each exotic wagering pool.

3769-3-03 A totalizator system costs two thousand dollars per race day.

3769-3-04 There is no adverse impact.

3769-3-05 There is no adverse impact.

3769-3-06 The permit holder must display the odds in the race.

3769-3-07 The permit holder could be fined up to one thousand dollars. The racing permit could be suspended up to one year or revoked. A new racing permit could be denied.

3769-3-08 The permit holder could be fined up to one thousand dollars. The racing permit could be suspended up to one year or revoked. A new racing permit could be denied.

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3769-3-99 The permit holder could be fined up to one thousand dollars. The racing permit could be suspended up to one year or revoked. A new racing permit could be denied.

15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

3769-3-01 The eighteen percent is required by R.C. 3769.08.

3769-3-02 The twenty-two and one-half percent is required by R.C. 3769.087.

3769-3-03 A totalizator system is necessary to have an accurate system to accept all wagers and set odds.

3769-3-04 There needs to be definitely time when wagers must stop so the final odds can be placed and winning wagers can be paid.

3769-3-05 There is no adverse impact.

3769-3-06 The permit holder must display the odds in the race, so the wagering public can decide on which horse to wager

3769-3-07 The Commission needs to know where wagers are being accepted and which employee is involved in a transaction if there is an issue.

3769-3-08 The permit holder must comply with R.C. 3769.08 and 3769.087 by keeping records of all wagering.

3769-3-09 The permit holders need to pay all the winning bets.

3769-3-10 The permit holders need to be responsible for an overpayment or underpayment for winning wagers.

3769-3-11 The permit holder must notify the commission regarding any changes.

3769-3-12 The permit holder needs a consistent system to calculate wagers so the person that place a winning bet can know the amount for a successful wager

3769-3-13 The permit holders' and the betting public need a consistent system if no money was wagered on the horse that finished first.

3769-3-14 The permit holders' and the betting public need a consistent system if no money was wagered on the horse that finished second.

3769-3-15 The permit holders' and the betting public need a consistent system if no money was wagered on the horse that finished third.

3769-3-16 The permit holders' and the betting public need a consistent system if there is a dead heat for first place.

3769-3-17 The permit holders' and the betting public need a consistent system if there is a dead heat for second place

3769-3-18 The permit holders' and the betting public need a consistent system if there is a dead heat for third place

3769-3-19 The permit holders' and the betting public need a consistent system for daily double pool wagering.

3769-3-20 The permit holders' and the betting public need a consistent system if there is quinella wagering.

3769-3-21 The permit holders' and the betting public need a consistent system for perfecta or exacta wagering.

3769-3-22 The permit holders' and the betting public need a consistent system for trifecta wagering.

3769-3-23 The permit holders' and the betting public need a consistent system for superfecta wagering.

3769-3-24 The permit holders' and the betting public need a consistent system for twin trifecta wagering.

3769-3-25 The permit holders' and the betting public need a consistent system for tri-super wagering.

3769-3-26 The permit holders' and the betting public need a consistent system for twin-super wagering.

3769-3-27 The permit holders' and the betting public need a consistent system for win-three pools wagering.

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3769-3-28 The permit holders' and the betting public need a consistent system for pick (n) wagering.

3769-3-30 The permit holders' and the betting public need a consistent system for quinella double and perfecta double wagering.

3769-3-32 The permit holders' and the betting public need a consistent system for telephone account wagering.

3769-3-33 The permit holders' and the betting public need a consistent system when there is an emergency and the common pools do not comingle funds.

3769-3-34 The permit holders' and the betting public need a consistent system for place pick (n) pools.

3769-3-35 The permit holders' and the betting public need a consistent system for super high five wagering.

3769-3-36 The permit holders' and the betting public need a consistent system for exacta (n) wagering

3769-3-37 The permit holders' and the betting public need a consistent system for pick(n) position (x) wagering.

3769-3-38 The permit holders' and the betting public need a consistent system for team wagering.

3769-3-39 The permit holders' and the betting public need a consistent system for future wagering.

3769-3-40 The permit holders' and the betting public need a consistent system for fortune pick (n) wagering.

3769-3-99 The permit holders need to know possible penalties the commission may impose.

Regulatory Flexibility

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16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

No, this regulation applies to only seven commercial race track permit holders; therefore, an exemption for small businesses is not applicable.

17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

R.C. 119.14 is not applicable.

18. What resources are available to assist small businesses with compliance of the regulation?

The Commission website at www.racingohio.net

The Commission phone number at 614-466-2757

The Commission facsimile number at 614-466-1900

The Deputy Director and Legal Counsel at Michael.Rzymek@racing.ohio.net