

SENATE BILL No. 568

June 26, 2001, Introduced by Senators MC MANUS, STILLE, GOUGEON, GAST, HART, KOIVISTO, MURPHY, PETERS, SMITH, EMERSON and CHERRY and referred to the Committee on Farming, Agribusiness and Food Systems.

A bill to amend 1995 PA 279, entitled "Horse racing law of 1995," by amending the title and section 17 (MCL 431.317), section 17 as amended by 1998 PA 408, and by adding part 2.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

SENATE BILL No. 568

1
2 An act to license and regulate the conducting of horse race
3 meetings in this state with pari-mutuel wagering on the results
4 of horse races, CERTAIN CARD GAMES, AND EVENTS and persons
5 involved in horse racing and pari-mutuel gaming activities at
6 such race meetings AND CERTAIN CARD GAMES AND EVENTS; to create
7 the office of racing commissioner; to prescribe the powers and
8 duties of the racing commissioner; to prescribe certain powers
9 and duties of the department of agriculture and the director of
10 the department of agriculture; to provide for the promulgation of

1 rules; to provide for the imposition of taxes and fees and the
2 disposition of revenues; to impose certain taxes; to create
3 funds; to legalize and permit the pari-mutuel method of wagering
4 on the results of live and simulcast races, CERTAIN CARD GAMES,
5 AND EVENTS at licensed race meetings in this state; to appropri-
6 ate the funds derived from pari-mutuel wagering on the results of
7 horse races, CERTAIN CARD GAMES, AND EVENTS at licensed race
8 meetings in this state; AND to prescribe remedies and penalties.
9 ~~; and to repeal acts and parts of acts.~~

10

PART 1. HORSE RACING

11

Sec. 17. (1) The pari-mutuel system of wagering upon the
12 results of horse races AND CERTAIN CARD GAMES AND EVENTS as per-
13 mitted by this act shall not be held or construed to be
14 unlawful. All forms of pari-mutuel wagering conducted at a
15 licensed race meeting shall be preapproved by the racing commis-
16 sioner pursuant to rule or written order of the commissioner.

17

(2) A holder of a race meeting license may provide a place
18 in the race meeting grounds or enclosure at which he or she may
19 conduct and supervise the pari-mutuel system of wagering on the
20 results of horse races as permitted by this act. If the
21 pari-mutuel system of wagering is used at a race meeting, a
22 totalisator or other device that is equal in accuracy and clear-
23 ness to a totalisator and approved by the racing commissioner
24 shall be used. The odds display of the totalisator or other
25 device shall be placed in full view of the patrons.

26

(3) Subject to section 18(3), each holder of a race meeting
27 license shall retain as his or her commission on all forms of

1 straight wagering 17% of all money wagered involving straight
2 wagers on the results of live and simulcast horse races conducted
3 at the licensee's race meetings. Subject to section 18(3), each
4 holder of a race meeting license shall retain as his or her com-
5 mission on all forms of multiple wagering, without the written
6 permission of the racing commissioner not more than 28% and with
7 the written permission of the racing commissioner not more than
8 35% of all money wagered involving any form of multiple wager on
9 the results of live and simulcast horse races conducted at the
10 licensee's race meeting. Except as otherwise provided by con-
11 tract, 50% of all commissions from wagering on the results of
12 live racing at the racetrack where the live racing was conducted
13 shall be paid to the horsemen's purse pool at the racetrack where
14 the live racing was conducted. As used in this subsection:

15 (a) "Straight wagering" means a wager made on the finishing
16 position of a single specified horse in a single specified race.

17 (b) "Multiple wagering" means a wager made on the finishing
18 positions of more than 1 horse in a specified race or the finish-
19 ing positions of 1 or more horses in more than 1 specified race.

20 (4) All breaks shall be retained by the race meeting
21 licensee and paid directly to the city or township in which the
22 racetrack is located as a fee for services provided pursuant to
23 section 21.

24 (5) Payoff prices of tickets of a higher denomination shall
25 be calculated as even multiples of the payoff price for a \$1.00
26 wager. Each holder of a race meeting license shall distribute to
27 the persons holding winning tickets, as a minimum, a sum not less

1 than \$1.10 calculated on the basis of each \$1.00 deposited in a
2 pool, except that each race meeting licensee may distribute a sum
3 of not less than \$1.05 to persons holding winning tickets for
4 each \$1.00 deposited in a minus pool. As used in this subsec-
5 tion, "minus pool" means any win, place, or show pool in which
6 the payout would exceed the total value of the pool.

7 (6) A holder of a race meeting license shall not knowingly
8 permit a person less than 18 years of age to be a patron of the
9 pari-mutuel wagering conducted or supervised by the holder.

10 (7) Any act or transaction relative to pari-mutuel wagering
11 on the results of live or simulcast horse races shall only occur
12 or be permitted to occur within the enclosure of a licensed race
13 meeting. A person shall not participate or be a party to any act
14 or transaction relative to placing a wager or carrying a wager
15 for placement outside of a race meeting ground. A person shall
16 not provide messenger service for the placing of a bet for
17 another person who is not a patron. However, this subsection
18 does not prevent simulcasting or intertrack or interstate common
19 pool wagering inside or outside this state as permitted by this
20 act or the rules promulgated under this act.

21 PART 2. PARI-MUTUEL CARD GAMES AND EVENTS

22 SEC. 50. (1) IN ADDITION TO PARI-MUTUEL WAGERING ON LIVE
23 AND SIMULCAST OF HORSE RACES UNDER PART 1, THE RACING COMMIS-
24 SIONER SHALL, UPON REQUEST BY A RACE MEETING LICENSEE, AUTHORIZE
25 PARI-MUTUEL GAMES AND EVENTS TO BE PLAYED WITHIN THE RACE MEETING
26 GROUNDS OR ENCLOSURE OF A RACE MEETING LICENSEE'S FACILITY.
27 PARI-MUTUEL GAMES AND EVENTS THAT THE RACING COMMISSIONER MAY

1 AUTHORIZE UNDER THIS SECTION INCLUDE ANY GAME CURRENTLY
2 AUTHORIZED BY LAW TO BE PLAYED IN THIS STATE, EITHER COMMERCIALY
3 FOR PROFIT OR BY A CHARITY, INCLUDING, BUT NOT LIMITED TO, BINGO
4 AND GAMES PLAYED WITH CARDS. THE RACING COMMISSIONER SHALL NOT
5 AUTHORIZE BANKING GAMES AND GAMES UTILIZING TRADITIONAL CASINO
6 THEMES SUCH AS ROULETTE, DICE, OR BACCARAT CARD GAMES.

7 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON MAY
8 PARTICIPATE IN AN AUTHORIZED GAME OR EVENT AT A LICENSED CARDROOM
9 OR MAY OPERATE A CARDROOM DESCRIBED IN THIS PART IF THE GAME AND
10 CARDROOM OPERATION ARE CONDUCTED STRICTLY IN ACCORDANCE WITH THE
11 PROVISIONS OF THIS PART.

12 (3) THE RACING COMMISSIONER SHALL ADMINISTER THIS PART AND
13 REGULATE THE OPERATION OF CARDROOMS UNDER THIS PART AND ANY RULES
14 ADOPTED UNDER THIS PART. THE RACING COMMISSIONER SHALL PERFORM
15 ALL OF THE FOLLOWING FUNCTIONS:

16 (A) ADOPT RULES PURSUANT TO THE ADMINISTRATIVE PROCEDURES
17 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, CONCERNING 1 OR
18 MORE OF THE FOLLOWING:

19 (i) THE ISSUANCE OF CARDROOM AND EMPLOYEE LICENSES FOR CARD-
20 ROOM OPERATIONS.

21 (ii) THE OPERATION OF A CARDROOM.

22 (iii) RECORD-KEEPING AND REPORTING REQUIREMENTS.

23 (iv) THE COLLECTION OF ALL FEES AND TAXES IMPOSED UNDER THIS
24 SECTION.

25 (v) INTERNAL CONTROL PROCEDURES ENSURING THE SAFEKEEPING OF
26 STATE FUNDS, INCLUDING, BUT NOT LIMITED TO, REQUIRING THAT AN
27 AUDITOR APPOINTED BY THE RACING COMMISSIONER SHALL MONITOR AND

1 VERIFY THE CASH FLOW AND ACCOUNTING OF CARDROOM REVENUE EVERY DAY
2 THAT THE CARDROOM IS IN OPERATION.

3 (vi) ANY OTHER FUNCTION NECESSARY TO THE ADMINISTRATION OF
4 THIS PART.

5 (B) CONDUCT INVESTIGATIONS AND MONITOR THE OPERATION OF
6 CARDROOMS AND THE PLAYING OF AUTHORIZED GAMES.

7 (C) REVIEW THE BOOKS, ACCOUNTS, AND RECORDS OF ANY CURRENT
8 OR FORMER CARDROOM OPERATOR.

9 (D) SUSPEND OR REVOKE ANY LICENSE ISSUED UNDER THIS PART,
10 AFTER A HEARING, FOR A VIOLATION OF THE PROVISIONS OF THIS PART
11 OR THE ADMINISTRATIVE RULES ADOPTED UNDER THIS PART.

12 (E) TAKE TESTIMONY, ISSUE SUMMONS AND SUBPOENAS FOR ANY WIT-
13 NESS, AND ISSUE SUBPOENAS DUCES TECUM IN CONNECTION WITH ANY
14 MATTER WITHIN ITS JURISDICTION.

15 (F) MONITOR AND ENSURE THE PROPER COLLECTION OF TAXES AND
16 FEES IMPOSED BY THIS PART.

17 SEC. 51. A PERSON SHALL NOT OPERATE A CARDROOM IN THIS
18 STATE UNLESS THE PERSON HOLDS A VALID CARDROOM LICENSE ISSUED
19 UNDER THIS PART.

20 SEC. 52. THE RACING COMMISSIONER SHALL ONLY ISSUE A CARD-
21 ROOM LICENSE TO A RACE MEET LICENSEE.

22 SEC. 53. (1) A CARDROOM LICENSEE SHALL ONLY OPERATE A CARD-
23 ROOM AT THE SAME FACILITY AT WHICH THE CARDROOM LICENSEE IS
24 AUTHORIZED UNDER ITS RACE MEETING LICENSE TO CONDUCT PARI-MUTUEL
25 WAGERING ACTIVITIES.

26 (2) A CARDROOM LICENSE IS NOT TRANSFERRABLE.

1 (3) A CARDROOM SHALL ONLY BE OPERATED AT THE LOCATION
2 SPECIFIED ON THE CARDROOM LICENSE ISSUED BY THE RACING
3 COMMISSIONER, AND THAT LOCATION SHALL BE THE ONLY LOCATION AT
4 WHICH THE RACE MEETING LICENSEE MAY CONDUCT PARI-MUTUEL EVENTS.

5 (4) A CARDROOM SHALL ONLY BE OPERATED AT THE FACILITY WHEN
6 THE FACILITY IS AUTHORIZED TO ACCEPT WAGERS ON PARI-MUTUEL EVENTS
7 DURING ITS RACE MEETING. A CARDROOM MAY BEGIN OPERATIONS NOT
8 MORE THAN 2 HOURS BEFORE THE POST TIME OF THE FIRST RACE MEETING
9 LICENSED UNDER PART 1 CONDUCTED AT THE RACETRACK ON WHICH WAGERS
10 ARE ACCEPTED AND MUST CEASE OPERATIONS NOT MORE THAN 2 HOURS
11 AFTER THE CONCLUSION OF THE LAST RACE MEETING LICENSED UNDER PART
12 1 CONDUCTED AT THE RACETRACK ON WHICH WAGERS ARE ACCEPTED.

13 SEC. 54. IF THE RACING COMMISSIONER ISSUES AN INITIAL CARD-
14 ROOM LICENSE, THE CARDROOM LICENSEE SHALL APPLY FOR RENEWAL OF
15 THE CARDROOM LICENSE IN CONJUNCTION WITH THE APPLICANT'S ANNUAL
16 APPLICATION FOR ITS RACE MEETING LICENSE. A PERSON SHALL APPLY
17 FOR AN INITIAL CARDROOM LICENSE OR THE RENEWAL OF A CARDROOM
18 LICENSE ON FORMS PRESCRIBED BY THE RACING COMMISSIONER. AN
19 APPLICATION FOR A CARDROOM LICENSE SHALL CONTAIN THE INFORMATION
20 THAT THE RACING COMMISSIONER DETERMINES NECESSARY TO ASCERTAIN
21 THE APPLICANT'S ELIGIBILITY. THE ANNUAL CARDROOM LICENSE FEE
22 SHALL BE \$500.00 FOR THE FIRST TABLE AND \$200.00 FOR EACH ADDI-
23 TIONAL TABLE TO BE OPERATED AT THE CARDROOM.

24 SEC. 55. A CARDROOM OPERATOR SHALL AT ALL TIMES EMPLOY AND
25 PROVIDE A NONPLAYING DEALER FOR EACH TABLE ON WHICH AUTHORIZED
26 CARD GAMES THAT TRADITIONALLY UTILIZE A DEALER ARE CONDUCTED AT
27 THE CARDROOM. THE DEALER SHALL NOT HAVE ANY PARTICIPATORY

1 INTEREST IN ANY GAME OTHER THAN THE DEALING OF CARDS AND SHALL
2 NOT HAVE AN INTEREST IN THE OUTCOME OF THE GAME. THE PROVIDING
3 OF DEALERS BY A CARDROOM OPERATOR DOES NOT CONSTITUTE THE CON-
4 DUCTING OF A BANKING GAME BY THE CARDROOM OPERATOR.

5 SEC. 56. (1) EACH CARDROOM OPERATOR SHALL CONSPICUOUSLY
6 POST UPON THE PREMISES OF THE CARDROOM A NOTICE THAT CONTAINS ALL
7 OF THE FOLLOWING:

8 (A) A COPY OF THE CARDROOM LICENSE.

9 (B) A LIST OF AUTHORIZED GAMES OFFERED BY THE CARDROOM.

10 (C) THE WAGERING LIMITS IMPOSED BY THE HOUSE, IF ANY.

11 (D) ANY ADDITIONAL RULES REGARDING OPERATION OF THE CARDROOM
12 OR THE PLAYING OF ANY GAME AND ALL COSTS TO PLAYERS TO PARTICI-
13 PATE, INCLUDING ANY RAKE BY THE HOUSE.

14 (2) IN ADDITION TO THE NOTICES REQUIRED UNDER
15 SUBSECTION (1), EACH CARDROOM OPERATOR SHALL POST AT EACH TABLE A
16 NOTICE OF THE MINIMUM AND MAXIMUM WAGERS AUTHORIZED AT THAT TABLE
17 AND THE FEE FOR PARTICIPATION IN THE GAME CONDUCTED.

18 SEC. 57. THE CARDROOM IS SUBJECT TO INSPECTION BY THE
19 RACING COMMISSIONER OR ANY LAW ENFORCEMENT AGENCY DURING THE
20 CARDROOM'S REGULAR BUSINESS HOURS. THE INSPECTION SHALL SPECIFI-
21 CALLY ENCOMPASS THE INTERNAL CONTROL PROCEDURES PRESCRIBED BY THE
22 RACING COMMISSIONER UNDER SECTION 50.

23 SEC. 58. WAGERING SHALL NOT BE CONDUCTED USING MONEY OR
24 OTHER NEGOTIABLE CURRENCY. GAMES SHALL ONLY BE PLAYED UTILIZING
25 A WAGERING SYSTEM WHEREBY ALL PLAYERS' MONEY IS FIRST CONVERTED
26 BY THE HOUSE TO TOKENS OR CHIPS THAT SHALL ONLY BE USED FOR
27 WAGERING AT THAT CARDROOM.

1 SEC. 59. THE CARDROOM OPERATOR MAY CHARGE A FEE FOR THE
2 RIGHT TO PARTICIPATE IN GAMES CONDUCTED AT THE CARDROOM. THIS
3 FEE MAY BE EITHER A FLAT FEE OR HOURLY RATE FOR THE USE OF A SEAT
4 AT A TABLE OR A RAKE SUBJECT TO THE POSTED MAXIMUM AMOUNT, BUT
5 SHALL NOT BE BASED ON THE AMOUNT WON BY A PARTICIPANT. THE RAKE,
6 IF ANY, SHALL BE MADE IN AN OBVIOUS MANNER AND PLACED IN A DESIG-
7 NATED RAKE AREA THAT IS CLEARLY VISIBLE TO ALL PARTICIPANTS.

8 SEC. 60. (1) EACH CARDROOM OPERATOR SHALL KEEP AND MAINTAIN
9 PERMANENT DAILY RECORDS OF ITS CARDROOM OPERATION AND SHALL MAIN-
10 TAIN THOSE RECORDS FOR NOT LESS THAN 3 YEARS. THE RECORDS SHALL
11 INCLUDE ALL FINANCIAL TRANSACTIONS AND CONTAIN SUFFICIENT DETAIL
12 TO DETERMINE COMPLIANCE WITH THE REQUIREMENTS OF THIS PART. THE
13 RECORDS SHALL BE AVAILABLE FOR AUDIT AND INSPECTION BY THE RACING
14 COMMISSIONER OR OTHER LAW ENFORCEMENT AGENCIES DURING THE CARD-
15 ROOM OPERATOR'S REGULAR BUSINESS HOURS.

16 (2) EACH CARDROOM OPERATOR SHALL FILE WITH THE RACING COM-
17 MISSIONER A REPORT CONTAINING THE RECORDS OF CARDROOM OPERATION
18 AS REQUIRED BY THE RACING COMMISSIONER.

19 SEC. 61. A CARDROOM OPERATOR SHALL NOT CONDUCT A BANKING
20 GAME OR ANY GAME NOT SPECIFICALLY AUTHORIZED BY THIS PART.

21 SEC. 62. A PERSON UNDER 18 YEARS OF AGE SHALL NOT BE PER-
22 MITTED TO ENGAGE IN ANY GAME CONDUCTED IN A CARDROOM.

23 SEC. 63. (1) AN ELECTRONIC OR MECHANICAL DEVICE, EXCEPT
24 MECHANICAL CARD SHUFFLERS, SHALL NOT BE USED TO CONDUCT AN AUTHO-
25 RIZED GAME IN A CARDROOM.

1 (2) CARDS, GAME COMPONENTS, OR GAME IMPLEMENTS SHALL NOT BE
2 USED IN AN AUTHORIZED GAME UNLESS THEY HAVE BEEN FURNISHED OR
3 PROVIDED TO THE PLAYERS BY THE CARDROOM OPERATOR.

4 SEC. 64. (1) A CARDROOM OPERATOR SHALL PAY THE FOLLOWING:

5 (A) TEN PERCENT OF THE CARDROOM OPERATION'S MONTHLY GROSS
6 RECEIPTS SHALL BE PAID TO THE STATE.

7 (B) NOT LESS THAN 50% OF A CARDROOM'S MONTHLY NET PROCEEDS
8 SHALL BE UTILIZED TO SUPPLEMENT PURSES DURING THE CARDROOM
9 OPERATOR'S NEXT ENSUING RACING MEET.

10 (2) THE CARDROOM SHALL BE CONSIDERED AN ACCESSORY USE TO A
11 LICENSED RACE MEETING OPERATION, AND A MUNICIPALITY, COUNTY, OR
12 POLITICAL SUBDIVISION OF THIS STATE SHALL NOT ASSESS OR COLLECT A
13 TAX IN ADDITION TO THE TAX LEVIED UNDER SUBSECTION (1) ON THE
14 CARDROOM OPERATION.

15 SEC. 65. THE RACING COMMISSIONER MAY DENY A CARDROOM
16 LICENSE OR REFUSE TO RENEW A CARDROOM LICENSE, OR MAY SUSPEND OR
17 REVOKE A CARDROOM LICENSE, IF THE APPLICANT DOES 1 OR MORE OF THE
18 FOLLOWING:

19 (A) VIOLATES OR FAILS TO COMPLY WITH THE PROVISIONS OF THIS
20 PART OR ANY RULES ADOPTED UNDER THIS PART.

21 (B) KNOWINGLY CAUSES, AIDS, ABETS, OR CONSPIRES WITH ANOTHER
22 TO CAUSE ANY PERSON TO VIOLATE THIS PART OR ANY RULES ADOPTED
23 UNDER THIS PART.

24 (C) OBTAINS A LICENSE BY FRAUD, MISREPRESENTATION, OR
25 CONCEALMENT.

26 (D) BECOMES INELIGIBLE FOR LICENSURE UNDER THIS PART.

1 SEC. 66. IF A RACE MEETING LICENSEE'S LICENSE IS SUSPENDED
2 OR REVOKED BY THE RACING COMMISSIONER, THE RACING COMMISSIONER
3 MAY, BUT IS NOT REQUIRED TO, SUSPEND OR REVOKE THE RACE MEETING
4 LICENSEE'S CARDROOM LICENSE. IF A CARDROOM OPERATOR'S CARDROOM
5 LICENSE IS SUSPENDED OR REVOKED UNDER THIS PART, THE RACING COM-
6 MISSIONER MAY, BUT IS NOT REQUIRED TO, SUSPEND OR REVOKE THE
7 CARDROOM OPERATOR'S RACE MEETING LICENSE.

8 SEC. 67. NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART,
9 THE RACING COMMISSIONER MAY IMPOSE AN ADMINISTRATIVE FINE OF NOT
10 MORE THAN \$1,000.00 FOR EACH VIOLATION AGAINST A PERSON WHO HAS
11 VIOLATED OR FAILED TO COMPLY WITH THE PROVISIONS OF THIS PART OR
12 ANY RULES ADOPTED UNDER THIS PART.

13 SEC. 68. THE CONDUCTING OF AUTHORIZED CARD GAMES, EVENTS,
14 OR BOTH, OR OPERATION OF A CARDROOM AT A RACETRACK UNDER THIS
15 PART DOES NOT CONSTITUTE A CASINO OR CASINO ENTERPRISE UNDER THE
16 MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW OF
17 1996, MCL 432.201 TO 432.226.

18 SEC. 69. AS USED IN THIS PART:

19 (A) "AUTHORIZED GAME" OR "AUTHORIZED EVENT" MEANS A GAME OR
20 EVENT AUTHORIZED BY THE RACING COMMISSIONER UNDER THIS PART.

21 (B) "BANKING GAME" MEANS A GAME IN WHICH THE CARDROOM ESTAB-
22 LISHES A BANK AGAINST WHICH PARTICIPANTS PLAY OR IN WHICH THE
23 HOUSE IS A PARTICIPANT IN THE GAME BY TAKING ON PLAYERS, PAYING
24 WINNERS, AND COLLECTING FROM LOSERS.

25 (C) "CARDROOM" MEANS A FACILITY WHERE AUTHORIZED GAMES,
26 EVENTS, OR BOTH, ARE PLAYED OR CONDUCTED.

1 (D) "CARDROOM OPERATOR" MEANS A RACE MEET LICENSEE THAT
2 HOLDS A VALID RACE MEETING LICENSE AND A VALID CARDROOM LICENSE
3 ISSUED BY THE RACING COMMISSIONER UNDER THIS ACT.

4 (E) "GROSS RECEIPTS" MEANS THE TOTAL AMOUNT OF MONEY
5 RECEIVED BY A CARDROOM FROM ANY PERSON FOR PARTICIPATION IN
6 AUTHORIZED GAMES AND EVENTS.

7 (F) "HOUSE" MEANS THE CARDROOM OPERATOR AND ALL EMPLOYEES OF
8 THE CARDROOM OPERATOR.

9 (G) "NET PROCEEDS" MEANS THE TOTAL AMOUNT OF GROSS RECEIPTS
10 RECEIVED BY A CARDROOM OPERATOR FROM CARDROOM OPERATIONS LESS
11 DIRECT OPERATING EXPENSES RELATED TO CARDROOM OPERATIONS, INCLUD-
12 ING LABOR COSTS, THE GROSS RECEIPTS TAX IMPOSED ON CARDROOM OPER-
13 ATORS UNDER SECTION 64(1)(A), THE ANNUAL CARDROOM LICENSE FEES
14 IMPOSED UNDER SECTION 54 ON EACH TABLE OPERATED AT A CARDROOM,
15 AND REASONABLE PROMOTIONAL COSTS EXCLUDING OFFICER AND DIRECTOR
16 COMPENSATION, INTEREST ON CAPITAL DEBT, LEGAL FEES, REAL ESTATE
17 TAXES, BAD DEBTS, CONTRIBUTIONS OR DONATIONS, OR OVERHEAD AND
18 DEPRECIATION EXPENSES NOT DIRECTLY RELATED TO THE OPERATION OF
19 THE CARDROOMS.

20 (H) "PARI-MUTUEL" MEANS A METHOD OF WAGERING ON RACES OR
21 GAMES IN WHICH THE WINNER OR WINNERS DIVIDE THE TOTAL AMOUNT
22 WAGERED BY ALL PARTICIPANTS, AFTER DEDUCTING MANAGEMENT EXPENSES
23 AND TAXES.

24 (I) "PARI-MUTUEL EVENT" MEANS A LIVE OR SIMULCAST GAME OR
25 EVENT IN THIS STATE OR SIMULCAST FROM OUTSIDE THIS STATE ON WHICH
26 THE PARI-MUTUEL SYSTEM OF WAGERING IS OFFERED TO THE PUBLIC.

1 (J) "RAKE" MEANS A SET FEE OR PERCENTAGE OF THE POT ASSESSED
2 BY A CARDROOM OPERATOR FOR PROVIDING THE SERVICES OF A DEALER,
3 TABLE, OR LOCATION FOR PLAYING THE AUTHORIZED GAME.