



Rules of
Department of Public Safety
Division 45—Missouri Gaming Commission
Chapter 52—Class B Licenses

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**Title 11—DEPARTMENT OF
PUBLIC SAFETY**

**Division 45—Missouri Gaming
Commission**

Chapter 52—Class B Licenses

11 CSR 45-52.010 Class B License Defined

PURPOSE: The purpose of this rule is to define Class B licenses as operators of pari-mutuel meetings for horse racing.

(1) Class B license shall be a license granted by the commission for the operation of a race meeting at a licensed track where pari-mutuel wagering will be conducted.

(2) Class B licenses must be obtained by any organization seeking to operate a meeting at any licensed track for any form of horse racing covered by sections 313.500—313.710, RSMo (1986).

(3) An organization may apply for and hold Class A and Class B licenses concurrently.

(4) The application fee for a Class B license to operate a race meeting holding a Class A license shall be two thousand five hundred dollars (\$2500) and to operate a race meeting holding a Class D license shall be one thousand dollars (\$1000). The application fee for Class B license shall not apply to those organizations who apply for both Class A and Class B licenses concurrently.

(5) The license fee for Class B license shall be one hundred twenty-five dollars (\$125) for each day in which licensed racing is conducted.

*AUTHORITY: sections 313.540 and 313.620, RSMo 1986. * This rule originally filed as 12 CSR 50-12.010. Original rule filed July 18, 1986, effective Oct. 27, 1986. Amended: Filed July 12, 1988, effective Nov. 11, 1988. Moved to 11 CSR 45-52.010, effective Aug. 28, 1995.*

**Original authority: 313.540, RSMo 1986, and 313.620, RSMo 1986.*

11 CSR 45-52.020 Application for Class B License

PURPOSE: The purpose of this rule is to set forth the requirements for a Class B license application.

(1) An application for a Class B license must include, on a form prepared by the commission:

(A) The name, address and telephone number of the applicant;

(B) The name, position, address, telephone number and authorized signature of an individual to whom the commission may make inquiry; and

(C) The information required by this chapter.

(2) The application for Class B license must be accompanied by an applicant's affidavit conforming to the requirements of 12 CSR 50-12.030.

*AUTHORITY: sections 313.540 and 313.580.1, RSMo 1986. * This rule originally filed as 12 CSR 50-12.020. Original rule filed July 18, 1986, effective Oct. 27, 1986. Moved to 11 CSR 45-52.020, effective Aug. 28, 1995.*

**Original authority: 313.540, RSMo 1986, and 313.580.1, RSMo 1986.*

11 CSR 45-52.030 Applicant's Affidavit

PURPOSE: The purpose of this rule is to set forth the contents of the applicant's affidavit which must accompany the application for a Class B license.

(1) The application for a Class B license must be accompanied by an affidavit of the chief administrative officer.

(A) As used in section (1) of this rule, chief administrative officer means—

1. The president of a corporation;
2. The managing partner of a partnership;
3. The general partner of a limited partnership; or
4. The individual of a sole proprietorship.

(B) If a consortium of financial participants is applying for a license and no formal chief administrative officer exists, the chief administrative officer of the largest financial participant shall sign the application.

(2) The affidavit required by this rule shall set forth—

(A) The application is made for a Class B license to own a track which will conduct pari-mutuel wagering;

(B) The affiant is the agent of the applicant and is duly authorized to make the representations in the application on behalf of the applicant—

1. Documentary evidence of the authority of the agent must be attached to the affidavit and incorporated in it; and

2. Documentary evidence may consist of—

A. A resolution of the board of directors of a corporation;

B. The partnership agreement of a limited partnership designating the affiant as the general partner;

C. The partnership agreement of a general partnership designating the individual as the managing partner;

D. The fictitious name filing for a sole proprietorship; or

E. Any other document evidencing authority;

(C) The applicant consents to inquiries by the Missouri Horse Racing Commission, its employees, staff and agents into the financial, character and other qualifications of the applicant;

(D) That the applicant accepts any risk of adverse public notice, embarrassment, criticism or circumstance, including financial loss, which may result from action with respect to the application and expressly waives any claim which otherwise could be made against the state of Missouri, the Missouri Horse Racing Commission, its employees, staff or agents;

(E) The affiant has—

1. Read the applicant's identification and disclosures and knows the contents; and
2. The contents are true of the affiant's own knowledge;

A. Matters may be stated in the affidavit on information and belief; and

B. On any matters stated on information and belief affiant must affirmatively state s/he believes the information to be true;

(F) The applicant recognizes all representations in the application are binding on it and false or misleading information in the application, omission of required information or substantial deviation from representations in the application may result in denial, revocation or suspension of the license or imposition of a fine;

(G) The applicant will comply with the Article III, Section 39(b) of the Missouri Constitution, any statutes governing pari-mutuel wagering and the rules of the commission; and

(H) The affidavit must contain the following:

1. The organization on whose behalf the affiant is submitting the affidavit;
2. The affiant's signature;
3. The affiant's position;
4. The address and telephone number of the affiant; and
5. The date of signature.



AUTHORITY: sections 313.580.1 and 313.600.9, RSMo 1986.* This rule originally filed as 12 CSR 50-12.030. Original rule filed July 18, 1986, effective Oct. 27, 1986. Moved to 11 CSR 45-52.030, effective Aug. 28, 1995.

*Original authority: 313.580.1, RSMo 1986, and 313.600.9, RSMo 1986.

11 CSR 45-52.040 Disclosure of Information

PURPOSE: The purpose of this rule is to set forth disclosure of information required in application for a Class B license by reference to disclosure of information in Class A license rules.

(1) An application for Class B license must disclose each and every item of information which is required by the following rules for Class A licenses:

- (A) 12 CSR 50-11.040;
- (B) 12 CSR 50-11.050;
- (C) 12 CSR 50-11.060;
- (D) 12 CSR 50-11.090;
- (E) 12 CSR 50-11.100;
- (F) 12 CSR 50-11.110;
- (G) 12 CSR 50-11.130;
- (H) 12 CSR 50-11.140;
- (I) 12 CSR 50-11.150;
- (J) 12 CSR 50-11.160;
- (K) 12 CSR 50-11.170; and
- (L) 12 CSR 50-11.180.

(2) If an applicant is applying for Class A and Class B licenses concurrently, s/he need only provide the information one (1) time.

(3) In conforming to each of the Class A rules set forth in this rule, the applicant should treat all references to Class A licenses as a reference to Class B license.

AUTHORITY: section 313.580.1, RSMo 1986.* This rule originally filed as 12 CSR 50-12.040. Original rule filed July 18, 1986, effective Oct. 27, 1986. Moved to 11 CSR 45-52.040, effective Aug. 28, 1995.

*Original authority: 313.580.1, RSMo 1986.

11 CSR 45-52.050 Additional Improvements Information Required

PURPOSE: The purpose of this rule is to set forth the requirements for disclosure of improvements and equipment for a Class B license. This rule requires additional infor-

mation than required in 12 CSR 50-11.070 for Class A licenses.

(1) An applicant for a Class B license must disclose all of the information required in 12 CSR 50-11.070 for the track which it proposes to operate. The applicant may refer to the application for Class A license if no changes have been made to the facility since the track received its Class A license.

(2) The following information must be provided in addition to the description of the grandstands contained in 12 CSR 50-11.070(1)(F):

- (A) Drinking fountains; and
- (B) Medical facilities available to patrons.

AUTHORITY: section 313.580.1, RSMo 1986.* This rule originally filed as 12 CSR 50-12.050. Original rule filed July 18, 1986, effective Oct. 27, 1986. Moved to 11 CSR 45-52.050, effective Aug. 28, 1995.

*Original authority: 313.580.1, RSMo 1986.

11 CSR 45-52.060 Disclosure of Authorization to use Class A Horse Racing Facility

PURPOSE: The purpose of this rule is to require disclosure of the terms for the use of a Class A-licensed facility.

(1) An applicant for a Class B license must disclose the terms and conditions of the lease or other agreement authorizing the applicant to sponsor, manage and conduct a pari-mutuel horse racing meet at a facility holding or applying for a Class A license.

(A) A copy of the agreement must be provided unless no written agreement exists.

(B) In case no written agreement exists at the time of application, a written agreement must be provided the commission as soon as the agreement has been reduced to writing.

(2) This rule shall not apply to a Class B applicant who is also applying for a Class A license concurrently.

AUTHORITY: section 313.580.1, RSMo 1986.* This rule originally filed as 12 CSR 50-12.060. Original rule filed July 18, 1986, effective Oct. 27, 1986. Moved to 11 CSR 45-52.060, effective Aug. 28, 1995.

*Original authority: 313.580.1, RSMo 1986.

11 CSR 45-52.070 Disclosure of Management

PURPOSE: The purpose of this rule is to set forth the requirements for disclosure of management for a Class B license.

(1) An applicant for a Class B license must disclose all of the information required in 12 CSR 50-11.120 for Class A licenses.

(2) In addition to the information required in section (1) of this rule the applicant for a Class B license shall provide all of the following information:

(A) A description of the applicant's plans for the conduct of horse racing, including types of racing, number of days, weeks, specific dates, number of races per day, time of day and special events; if more than one (1) breed, disclose the projected ratio between breeds.

(B) A description of the applicant's plan for purses, including total purses, formula, minimum, stakes races and purse handling procedures;

(C) A description of the applicant's plan for pari-mutuel betting, including number of line divisions, windows, selling machines and clerks, use or duties of each and accounting procedures, including its proposed system of internal audit and supervisory controls; and

(D) Each of the pari-mutuel pools for which the applicant seeks the commission's approval.

AUTHORITY: sections 313.540 and 313.580.1, RSMo 1986.* This rule originally filed as 12 CSR 50-12.070. Original rule filed July 18, 1986, effective Oct. 27, 1986. Amended: Filed June 6, 1989, effective Aug. 24, 1989. Moved to 11 CSR 45-52.070, effective Aug. 28, 1995.

*Original authority: 313.540, RSMo 1986, and 313.580.1, RSMo 1986.

11 CSR 45-52.160 Bond for Class B Licenses

PURPOSE: This rule sets a bond amount for Class B licenses.

(1) The bond for Class B licenses shall be five percent (5%) of the daily handle as projected by the Class B license applicant on his/her application, multiplied by the number of racing days awarded by the commission to the applicant.

AUTHORITY: section 313.590, RSMo 1986.* This rule originally filed as 12 CSR 50-12.160. Original rule filed Oct. 3, 1986, effective Jan. 12, 1987. Emergency rescission filed July 14, 1987, effective July 24, 1987,



expired Nov. 21, 1987. Moved to 11 CSR 45-52.160, effective Aug. 28, 1995.

*Original authority: 313.590, RSMo 1986.

11 CSR 45-52.190 Class B License Criteria

PURPOSE: The purpose of this rule is to set forth the criteria for the issuance of Class B licenses.

(1) The commission may issue a Class B license if it determines on the basis of all the facts before it that the applicant meets the criteria contained in section 313.580.3., RSMo (1986).

(2) In making the required determinations, the commission must consider the following factors and indices:

(A) The integrity of the applicant and any personnel employed to have duties and responsibilities for operating pari-mutuel wagering. This determination shall include consideration of:

1. Any criminal record of any individual;
2. The involvement in litigation over business practices by the applicant or any individuals or entities employed by the applicant;
3. The involvement in proceedings in which unfair labor practices, discrimination or regulation of horse racing or gambling was an issue;
4. Failure to satisfy any judgments, orders or decrees of any court; and
5. Any other indices related to integrity which the commission deems crucial to its decision-making as long as the same indices are considered with regard to all applicants;

(B) The types and variety of pari-mutuel horse racing which the applicant may offer and the ability to attract quality horses to the facility and location;

(C) The quality of the physical facility together with improvements and equipment including:

1. The racetrack(s);
2. Stabling;
3. Grandstand;
4. Detention barn;
5. Paddock;
6. Jockey's and driver's quarters;
7. Pari-mutuel tote;
8. Parking;
9. Access by road and public transportation;
10. Perimeter fence;
11. Other security improvements and equipment;
12. Starting, timing, photo-finish and

photo-patrol or video equipment;

13. Commission work areas; and

14. Any other indices related to quality of the facility which the commission deems crucial to its decision-making as long as the same indices are considered with regard to all applicants;

(D) The imminence of completion of the facility or any improvements thereon and any lease or other agreement for the operation of a horse racing meeting;

(E) Financial ability to develop and operate a pari-mutuel horse racing facility successfully, including:

1. Ownership and control structure;
2. Amounts and reliability of development costs;
3. Certainty of site acquisition or lease;
4. Current financial conditions;
5. Sources of equity and debt funds, amounts, terms and conditions and certainty of commitment;
6. Provisions for cost overruns, nonreceipt of expected equity or debt funds, failure to achieve projected revenues or other financial adversity;
7. Feasibility of financial plan; and
8. Any other indices related to financial ability which the commission deems crucial to its decision-making as long as the same indices are considered with regard to all applicants;

(F) The status of governmental actions required by the applicant's facility including:

1. Necessary road improvements;
2. Necessary public utility improvements;
3. Required governmental approvals for development, ownership and operation of the track;
4. Acceptance of any required environmental assessment and preparation of any required environmental impact statement; and
5. Any other indices related to the status of governmental actions which the commission deems crucial to its decision-making as long as the same indices are considered with regard to all applicants;

(G) Management ability of the applicant including:

1. Qualifications of managers, consultants and other contractors to develop and own a pari-mutuel horse racing facility and the likelihood of projected operation;
2. Security plan;
3. Plans for human and animal health and safety;
4. Plans for marketing, promotion and advertising;
5. Concession plan;
6. Plan for training personnel;
7. Equal employment and affirmative

action plan; and

8. Any other indices related to management ability which the commission deems crucial to its decision-making as long as the same indices are considered with regard to all applicants;

(H) Compliance with applicable statutes, regulation charters and ordinances;

(I) Efforts to promote orderly growth of horse racing in Missouri and educate the public with respect to horse racing and pari-mutuel betting;

(J) The impact of the facility including:

1. The economic impact—
 - A. The employment created;
 - B. The purchases of goods and services;
 - C. Public and private investment; and
 - D. Taxes generated;
2. Ecological impact;
3. Impact on energy conservation and development of alternative energy sources;
4. Social impact;
5. Cost of public improvements; and
6. Any other indices related to impact which the commission deems crucial to its decision-making as long as the same indices are considered with regard to all applicants;

(K) The extent of any public support or opposition; and

(L) Effects on competition, including:

1. Number, nature and relative location of other Class B licenses;
2. Number, nature and relative location of racetracks, including horse racing and dog racing, in other states;
3. Minimum and optimum number of racing days which may be sought by other applicants; and
4. Any other indices of the impact of competition which the commission deems crucial to decision-making as long as the same indices are considered with regard to all applicants.

(3) The commission may also consider any other information which the applicant discloses and which is relevant or helpful to proper determination by commission.

AUTHORITY: sections 313.580.1 and 313.580.3, RSMo 1986. * This rule originally filed as 12 CSR 50-12.190. Original rule filed July 18, 1986, effective Oct. 27, 1986. Emergency amendment filed Jan. 9, 1987, effective Jan. 19, 1987, expired May 19, 1987. Amended: Filed Jan. 9, 1987, effective June 11, 1987. Moved to 11 CSR 45-52.190, effective Aug. 28, 1995.

*Original authority: 313.580.1 and 3, RSMo 1986.