

NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

NOTICE OF EXEMPT RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 3. STATE BOXING COMMISSION

Editor's Note: The following Notice of Exempt Rulemaking was exempt from Executive Order 2011-05 as issued by Governor Brewer. (See the text of the executive order on page 1503.)

[R11-89]

PREAMBLE

- 1. Sections Affected**
R4-3-413
- Rulemaking Action**
Amend
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. § 5-104(R)
Implementing statute: A.R.S. § 5-224(C)
- 3. The effective date of the rules:**
July 20, 2011
- 4. A list of all previous notices appearing in the *Register* addressing the exempt rule:**
None
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Dennis O'Connell
Address: Arizona Boxing and Mixed Martial Arts Commission
1110 W. Washington St., Suite 260
Phoenix, AZ 85007
Telephone: (602) 364-1727
Fax: (602) 364-1703
E-mail: doconnell@azracing.gov
- 6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**
The Arizona Boxing and Mixed Martial Arts Commission (the "Commission") is a division of the Arizona Department of Racing (the "Department"). The Commission is initiating this exempt rulemaking to provide a modified fee structure for boxing and mixed martial arts license fees collected by the Commission. The revenues generated by such fees will be deposited in the Racing Regulation Fund which will provide resources for the Commission. Arizona Session Laws 2011, Ch. 35, § 10(B) authorizes exemption from rulemaking requirements for purposes of establishing the boxing and mixed martial arts licensing fees formerly set forth under A.R.S. § 5-230(A). Existing Commission rule R4-3-413 is amended accordingly to provide for the new license fee structure.
Editor's note: The Commission has stated in an e-mail to the Office that it is exempt from Executive Order 2011-05 per section (2)(f). Additionally, the State Boxing Commission has become the State Boxing and Mixed Martial Arts Commission by Laws 2010, Ch. 269, § 4.
- 7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study and other supporting material:**
None

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- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable
- 9. The summary of the economic, small business, and consumer impact (if applicable):**
The slight increase in certain licenses from \$10 to \$25 and the addition of licenses for amateur mixed martial arts contestants will generate approximately \$3000 - \$4000 in incremental revenues. These increases will not materially impact officials or participants.
- 10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
Not applicable
- 11. A summary of the comments made regarding the rule and the agency response to them:**
None have been received yet.
- 12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
Not applicable
- 13. Incorporations by reference and their location in the rules:**
None
- 14. Was this rule previously made as an emergency rule? If so, please indicate the Register citation:**
No
- 15. The full text of the rules follows:**

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 3. STATE BOXING AND MIXED MARTIAL ARTS COMMISSION

ARTICLE 4. ADMINISTRATION

Section
R4-3-413. License fees Fees

ARTICLE 4. ADMINISTRATION

R4-3-413. License fees Fees

Fees for the issuance of annual licenses for boxing and mixed martial arts shall be as follows:

1. Promoters, individual \$200, corporation, partnership or other business entity, \$400.
2. Matchmakers, \$100.
3. Managers, \$50.
4. Inspectors, ~~Judges~~ judges, referees, announcers, and ringside physicians, \$25.
5. Timekeepers, boxers, professional mixed martial arts competitors ~~and wrestlers~~ and their trainers and seconds, ~~\$10~~ \$25.
6. Amateur mixed martial arts competitors, \$20.

NOTICE OF EXEMPT RULEMAKING

TITLE 19. ALCOHOL, DOG AND HORSE RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

Editor's Note: The following Notice of Exempt Rulemaking was exempt from Executive Order 2011-05 as issued by Governor Brewer. (See the text of the executive order on page 1503.)

[R11-90]

PREAMBLE

1. Sections Affected
R19-2-102

Rulemaking Action
Amend

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R19-2-104	Amend
R19-2-106	Amend
Article 2	New Article
R19-2-201	New Section
R19-2-202	New Section
R19-2-203	New Section
R19-2-204	New Section
R19-2-205	New Section
R19-2-302	Amend
R19-2-304	Amend
R19-2-306	Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. § 5-104(A)(2), Ariz. Sess. Laws 2011, Ch. 35, § 10(B)

Implementing statute: A.R.S. §§ 5-104(F), 5-104(R), 5-113.01, 5-230

3. The effective date of the rules:

July 20, 2011

4. A list of all previous notices appearing in the Register addressing the exempt rule:

None

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: William J. Walsh

Address: Arizona Department of Racing
1110 W. Washington St., Suite 260
Phoenix, AZ 85007

Telephone: (602) 364-1725

Fax: (602) 364-1703

E-mail: bwalsh@azracing.gov

6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:

The Arizona Department of Racing is initiating this exempt rulemaking to comply with the requirement that the Department adopt rules that it collect fees in an amount to support the Department's mission under the requirements of Arizona Session Laws 2011, Ch. 35, § 10(B).

Editor's note: The Commission has stated in an e-mail to the Office that it is exempt from Executive Order 2011-05 per section (2)(f).

7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study and other supporting material:

None

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The summary of the economic, small business, and consumer impact (if applicable):

The rules, developed because of legislative action to remove the agency from the general fund over a two year period, will cause industry stakeholders to fund the operations on the Department of Racing in an amount equal to \$1,400,000 in Fiscal Year 2012 and to fully fund the Department's budget in succeeding fiscal years.

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Not applicable

11. A summary of the comments made regarding the rule and the agency response to them:

None have been received.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

13. Incorporations by reference and their location in the rules:

None

14. Was this rule previously made as an emergency rule? If so, please indicate the Register citation:

No

15. The full text of the rules follows:

TITLE 19. ALCOHOL, DOG AND HORSE RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

ARTICLE 1. HORSE RACING

Section

- R19-2-102. Definitions
- R19-2-104. Permittee Responsibilities
- R19-2-106. Licensing

ARTICLE 2. RACING REGULATION FUND

Section

- R19-2-201. Racing Regulation Fund
- R19-2-202. Licensing Fees
- R19-2-203. Regulatory Assessment for Animal Medication Testing, Research, Safety and Welfare
- R19-2-204. Regulatory Assessment for Dark Day Simulcasting
- R19-2-205. Regulatory Wagering Assessment of Pari-mutuel Pools

ARTICLE 3. GREYHOUND RACING

Section

- R19-2-302. Definitions
- R19-2-304. Permittee Responsibilities
- R19-2-306. Licensing

ARTICLE 1. HORSE RACING

R19-2-102. Definitions

In these rules, unless the context otherwise requires:

1. "Added money" means the money a permittee adds to the nominating and starting fees in a race.
2. "Age" means the age of a horse as computed from the first day of January in the year in which the horse is foaled.
3. "Authorized agent" means a person appointed pursuant to R19-2-106(I) of these rules.
4. "Breeder" of a horse means the owner or lessee of its dam at the time of foaling.
5. "Breeding place" means the place of birth of a horse.
6. "Commission" means the Arizona Racing Commission.
7. "Course" means the track over which horses race.
8. "Declaration" means the act of withdrawing an entered horse from a race.
9. "Department" means the Arizona Department of Racing.
10. "Director" means the Director of the Arizona Department of Racing.
11. "Entrance fee" means a fee set by the permittee which must be paid in order to make a horse eligible for a stakes race.
12. "Entry" means, according to its context, either:
 - a. A horse eligible and entered in a race, or
 - b. Two or more horses which are entered in a race and are owned in whole or in part by the same owner or are trained by a trainer who owns any interest in any of the other horses in the race.
13. "Equipment" as applied to a horse means whips, blinkers, tongue straps, muzzles, hoods, nose bands, shadow rolls, martingales, breast plates, bandages, boots, plates (shoes), and all other paraphernalia which is or might be used on or attached to a horse while racing.
14. "Field" means:
 - a. The entire group of horses in a race.
 - b. The highest numbered horse within the capacity of the tote and all horses of a higher number grouped together in the wagering.
15. "Foreign substance" means any drug, medicine, metabolite, or any other substance which does not exist naturally in the untreated horse and which may have a pharmacological effect on the racing performance of a horse or which may affect sampling or testing procedures. Foreign substances include but are not limited to stimulants, depressants, local

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- anesthetics, narcotics, and analgesics.
16. "Foul" means any action by a horse or jockey which interferes with another horse or jockey in the running of a race.
 17. "Grounds" means the entire area used by the permittee to conduct racing meetings including, but not limited to, the track, grandstand, stables, concession areas, and parking facilities.
 18. "Horse" includes filly, mare, colt, horse, gelding and ridgling.
 - a. In general when referring to sex, a horse is an entire male 5 years old or older.
 - b. Ridgling shall mean a half-castrated male horse or a horse with ~~±~~ one or both organs of reproduction absent from the sac.
 19. "Lawfully issued prescription" means a prescription-only drug, as defined in A.R.S. § 13-3401, obtained directly or pursuant to a valid prescription or order from a licensed physician acting in the course of professional practice.
 20. "Lessee" or "lessor" means a person who has leased a horse for racing purposes.
 21. "Maiden" means a horse which at the time of starting has never won a race on the flat in any country on a recognized track or which has been disqualified after finishing first.
 22. "Meeting" means the entire period for which a permit to conduct racing has been granted to any permittee by the Commission.
 23. "Nominating fee" means a fee set by the permittee which must be paid in order to make a horse eligible for a stakes race.
 24. "Nomination" means the naming of a horse or its foal in utero to compete in a specific race or series of races, eligibility for which may be conditional upon the payment of a fee at the time of naming.
 25. "Nominator" means the person in whose name a horse is nominated for a stakes or handicap race.
 26. "Off time" means the moment at which, on signal of the starter, the horses break and run.
 27. "Overpayment" means the amount by which purses paid exceeds the amount due horsemen based upon the net take and break calculation.
 28. "Owner" means any person possessing all or part of the legal title to a horse.
 29. "Place" means the position in which a horse finishes in a race, and more specifically win-first, place-second, and show-third.
 30. "Post position" means the position assigned to a horse for the start of a race.
 31. "Post time" means the time set for the arrival at the starting point of the horses in a race.
 32. "Prohibited substance" means any substance regulated by A.R.S. Title 13, Chapter 34.
 33. "Race" means a contest among horses for purse, stakes, premium, or wager for money, run in the presence of the racing officials of the track and of the Department.
 - a. "Claiming race" means a race in which any horse entered may be claimed in conformity with these rules.
 - b. "Graded quarter race" means a quarter race for which horses are classified by the racing secretary on the basis of prior racing times and past performances.
 - c. "Handicap" means a race in which weights to be carried by the entered horses are adjusted by a handicapper for the purpose of equalizing their respective chances of winning.
 - d. "Hurdle race" means a race over a course in which jumps or hurdles are used.
 - e. "Match race" means a race between ~~2~~ two or more horses, each the property of different owners, on terms agreed upon by the owners and approved by the Department.
 - f. "Overnight race" means a race for which entries close 96 hours or less before the time set for the first race of the day on which such race is to be run.
 - g. "Purse race" means a race for money or other prize to which the owners of the horses engaged in the race do not contribute an entry fee.
 - h. "Quarter race" means a race on the flat at 870 yards or less.
 - i. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.
 - j. "Stakes race" means a race in which any monies are to be deposited by the owners of the horses engaged in the race, including a race in which money or other prize is added, and in which nominations must close more than 72 hours before the time for the first race of the day on which such stakes race is to be run.
 34. "Racing Regulation Fund" is a fund established by A.R.S. § 5-113.01 and administered by the Department, to receive funding for regulation from various pari-mutuel racing industry sources.
 - ~~34.~~ 35. "Recognized track" means a track where pari-mutuel wagering is authorized by law or which is recognized by the American Quarter Horse Association.
 - ~~35.~~ 36. "Ruled off" means the act of barring from the grounds of a permittee and denying all racing privileges.
 - ~~36.~~ 37. "Scratch" means the act of withdrawing an entered horse from a race after the closing of overnight entries.
 - ~~37.~~ 38. "Scratch time" means the time set by the permittee for the withdrawing of entries from the races of that day.
 - ~~38.~~ 39. "Starting fee" means a fee, specified by the conditions of the race and set by the permittee, which must be paid in order to start in a race.
 - ~~39.~~ 40. "Starting horse" means a horse which leaves the paddock for the post, excluding:
 - a. A horse subsequently excused by the stewards, or

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- b. A horse whose starting gate stall doors do not open in front of it at the time the starter dispatches the field.
- ~~40-41.~~ "Subscription" means the act of nominating to a stakes race.
- ~~41-42.~~ "Supplemental fee" means a fee set by the permittee that must be paid at a time prescribed by the permittee to make a horse eligible for a stakes race.
- ~~42-43.~~ "Suspended" means that any privilege granted by the officials of a racing meeting or by the Commission or the Department has been temporarily withdrawn.
- ~~43-44.~~ "Sustaining fees" mean fees which must be paid periodically, as prescribed by the conditions of the race, in order to keep a horse eligible for that race.
- ~~44-45.~~ "Tote/totalizator" means the machines which sell mutuel tickets and the board on which the approximate odds are posted.
- ~~45-46.~~ "Track" means the course over which races take place.
- ~~46-47.~~ "Trainer" means the person employed by an owner or lessee to condition horses for racing.
- ~~47-48.~~ "Underpayment" means the amount by which the amount due horsemen based upon the net take and break calculation exceeds the amount of purses paid.
- ~~48-49.~~ "Walkover" means a race in which there are not 2 two or more horses of separate interest sent postward.
- ~~49-50.~~ "Weight" means the standard weight according to the scale set forth in R19-2-118.

R19-2-104. Permittee Responsibilities

- A. A permittee shall maintain the grounds in a neat, clean, and safe condition. If a steward determines that a permittee is not in compliance with this Section, the steward shall require that the permittee immediately bring the grounds into compliance.
- B. The permittee shall prevent any person, corporation, firm, or association not licensed by the Department from performing any act at its track which requires a license under A.R.S. Title 5, Chapter 1, or this Article.
- C. Each permittee department head shall see that the permittee department head's employees are licensed and furnish a list of the employees upon request.
- D. A permittee shall take all steps necessary to deny the privileges of a license to anyone whose license has been revoked or suspended and to keep such a person off the grounds of the permittee and to prevent a person who has been ruled off from entering the grounds of the permittee.
- E. A permittee or its employees shall not obstruct a representative of the Department performing the representative's duties.
- F. A permittee shall not knowingly allow on its grounds any betting or other operations in contravention of any law of the state of Arizona or of the United States.
- G. The permittee shall immediately report all observed violations of any racing regulation or statute to the Department and shall cooperate with the Department and with state, federal, and local authorities in investigations of alleged violations.
- H. A permittee shall provide the following services at the track:
1. A horse ambulance, approved by the Department, for the removal of crippled animals from the track.
 2. A physician or emergency paramedic certified under A.R.S. § 36-2205 on duty during racing hours.
 3. An ambulance, available during morning works and racing hours.
 4. First aid quarters, available during morning works and racing hours.
 5. A detention paddock (test barn) where all winners and other horses selected by the stewards are taken and kept under the supervision of the Department veterinarian until saliva, urine, blood, and other samples have been obtained.
 6. An adequate security force whose duties include:
 - a. Maintaining order.
 - b. Excluding from the grounds all handbooks, touts, and operators of gambling devices.
 - c. Excluding from the grounds all persons ruled off by the stewards or the Department.
 - d. Excluding from the grounds all persons not eligible for a license under A.R.S. § 5-108.
 - e. Immediately reporting to the stewards any licensee who, while on the premises of the permittee, creates a disturbance, is intoxicated, interferes with any racing operation, or acts in an abusive or threatening manner to any racing official or other person.
 7. A security guard stationed at the stable area entrance whose duties include:
 - a. Denying entrance to all persons not holding a license or credentials issued by the Department or a Departmental pass issued by the permittee.
 - b. Allowing any person seeking employment within the stable area to have access to that area for a period of 1 one day, provided that:
 - i. The person is given a numbered card.
 - ii. A list of recipients of the numbered cards is provided to the track office of the Department upon request.
 - iii. The numbered card is retrieved by the security guard when the person leaves the stable area.
 - iv. The track office of the Department is notified of the retrieval.
 8. A furnished office, including utilities and necessary office equipment, for the exclusive use of Department employees and officials.
 9. A uniformed security official approved by the Department, on duty in the Department test barn during its regular

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business hours. The official shall provide security and monitor the collection procedure and sealing of samples taken from the horses.

10. A copy of all tip sheets offered for sale in the parking area or elsewhere on the grounds of the permittee, furnished daily to the stewards not later than ~~3~~ three hours before ~~1st~~ first post.

I. A person shall not sell tip sheets, pamphlets, or other printed matter purporting to predict the outcome of a race other than official programs, the Daily Racing Form, and newspapers in the betting area.

J. Wagering shall be conducted upon the grounds of a permittee only under the pari-mutuel method as provided by statute and this Article and by the use of such mechanical or other equipment as the Department may require. Bookmaking or betting other than by the pari-mutuel method is prohibited.

K. A permittee shall not allow the official racing of horses on any track under its control except as provided by subsection (P) below unless:

1. The conditions of the race have been written by the racing secretary at the meeting.
2. The entries have been made in accordance with the requirements set forth in R19-2-113.
3. The race is programmed as a part of a regular racing card conducted under the pari-mutuel system.

L. On a daily basis, and as soon as the entries have been closed and compiled and the declarations have been made, the permittee posts a list of the entries and declarations in a conspicuous place.

M. A permittee shall print on a daily racing program a list of all officials and directors of the permittee and of track and racing officials, together with such pertinent rules as the Department may designate.

N. A permittee shall not allow an official to act until the official's appointment has been approved by the Department; provided that, in the case of sickness or inability to act, the provisions of R19-2-121(A)(5) apply.

O. The permittee shall provide a photo finish and videotape device, approved by the Department, for the purpose of recording all races. The photographs and videotapes may be used to aid the stewards in determining the finishes of races. Permittees shall retain for ~~3~~ three months all official race photographs and videotapes. The Department may require that specific photographs and videotapes be retained for a longer period of time or be transmitted to the Department for subsequent administrative or judicial proceedings.

P. Notwithstanding subsection (K) of this Section, wagering may be conducted, by permission of the Department, on electronically televised simulcasts provided:

1. The simulcasts originate from a racing facility outside the state of Arizona.
2. The race is televised on the grounds of the permittee.
3. The televised race is included with the posted races for that racing day.
4. The televised race complies with the Interstate Horseracing Act of 1978 (15 U.S.C. 3001 et seq.).
5. Monies wagered are computed in the total daily handle.
6. An out-of- state facility, receiving a simulcast originating from a racing facility within the state of Arizona, operates under the approval and regulation of an official agency of that state.

Q. Any automatic timing device installed by the permittee shall have the approval of the Department.

R. Each commercial horse racing permittee shall furnish the Department with annual financial statements audited and certified by a firm approved by the auditor general.

1. The firm shall conduct the audit in accordance with audit standards prescribed by the auditor general.
2. The firm shall prepare the financial statements in accordance with generally accepted accounting practices.
3. The firm shall use the following accounting practices:
 - a. Overpayments shall be treated as an asset to the extent that they are recoverable. Overpayments are reported as an asset titled "Purse Overpayments," immediately following current assets. If the permittee and the accountant determine that all or part of any overpayment is not recoverable, the dollar amount expensed and the basis of the determination shall be disclosed in the notes to the financial statements.
 - b. Underpayments shall be reflected as an account payable.
 - c. Wagering income shall be reported net of sales taxes.
 - d. Amounts which a permittee is seeking to recover through litigation shall not be reported as assets.
4. The firm shall submit the following information with the financial statements in a form prescribed by the Department:
 - a. An analysis of the composition of and changes in accounts payable which include underpayments and asset accounts which include overpayments,
 - b. A summary of current year purse expense and over- or underpayment,
 - c. The total amount of salaries and bonuses expense,
 - d. Legal and accounting expense attributable to racing-related matters,
 - e. An explanation of the types of revenues and expenses classified in accounts titled "other,"; and
 - f. Other financial information requested by the Commission or Department.
5. Financial statements of permittees granted original permits prior to July 1, 1982, shall be on a fiscal year basis. Financial statements of permittees granted original permits after July 1, 1982, may be on a fiscal or calendar year basis at the discretion of the Director.
6. The firm shall submit financial statements within 120 calendar days of the end of the fiscal or calendar year.

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7. The firm shall report overpayments and underpayments to the Department in a form prescribed by the Department within 10 working days after the end of each condition book period.

S. Each permittee shall comply with the provisions of Article 2 of this Chapter.

R19-2-106. Licensing

- A.** A person participating in any capacity in a racing meeting, including any person who performs services in connection with the conduct of the racing meeting, shall obtain a license from the Department, except:
1. A person performing services during a county fair race meet who is identified by a steward as a volunteer; or
 2. A person owning less than 10% of outstanding shares of stock, regardless of classification or type, of any permittee or licensee.
- B.** Applications
1. To apply for a license, a person shall complete the license application prescribed by the Department.
 2. The Department may issue written instructions regarding the preparation and execution of the license application, and the instructions may be a part of or separate from the application form, or both.
 3. When an applicant submits a license application, the applicant shall also submit the fee ~~listed in subsection (G)~~ established by the Department pursuant to R19-2-202(C). The Department shall ensure that a schedule of license and fingerprint processing fees is displayed prominently at each track and also on its web site.
 4. An applicant who is at least 18 years of age shall submit a full set of fingerprints to the Department. The fingerprints shall be taken by the Department or certified by a municipal police department, sheriff's office, or other authority acceptable to the Department.
 5. An applicant for a trainer license shall demonstrate knowledge and skill in protecting and promoting the safety and welfare of animals participating in racing meetings by passing an examination prescribed by the Department. An applicant who fails to pass the examination shall wait at least six months before retaking the examination.
 6. An applicant for a racing license shall indicate on the license application whether the applicant hires employees or independent contractors to work at an Arizona racetrack. For the purposes of this Section, "employee" has the meaning in A.R.S. § 23-902(B) and "independent contractor" has the meaning in A.R.S. § 23-902 (C).
 - a. An applicant that hires employees to work at an Arizona racetrack shall provide proof of compliance with A.R.S. § 23-961(A) by providing to the Department a copy of the declaration page of the applicant's workers' compensation insurance policy.
 - b. The Department shall notify the Industrial Commission of Arizona of an applicant that fails to provide proof of workers' compensation insurances as required in this Section. The Department shall notify the Industrial Commission of Arizona of an applicant that hires independent contractors to enable the Industrial Commission of Arizona to investigate the characterization of the applicant's workers as independent contractors.
- C.** Each applicant and licensee shall know and follow the rules governing racing in Arizona.
- D.** License procedure
1. Under delegation from the Director, a steward shall grant or deny a temporary license and transmit the license application to the Director.
 2. In considering each application for a license, a steward may require the applicant, as well as the applicant's endorsers, to appear before the steward and show that the applicant is qualified to receive the license requested. The steward shall grant a license only if the applicant meets all the requirements in A.R.S. Title 5, Chapter 1, and these rules.
 3. Licensing time-frame:
 - a. Administrative completeness review time-frame
 - i. Within 85 days after receiving a license application, the Department shall determine whether the license application contains the information required by subsection (B).
 - ii. If the license application is incomplete, the Department shall issue a written notice that specifies what information is required and return the license application. If the license application is complete, the Department shall provide a written notice of administrative completeness.
 - iii. The Department shall deem a license application withdrawn if the applicant or licensee fails to file a complete license application within 10 days of being notified that the license application is incomplete.
 - b. Substantive review ~~time-frame~~ time-frame: Within five days after determining that a license application is administratively complete, the Department shall determine whether the applicant or licensee meets all substantive requirements and the Director, or designee, shall issue a written notice granting or denying a license.
 - c. Overall time-frame. For the purpose of A.R.S. § 41-1073, the Department establishes the following time-frames for issuing a license:
 - i. Administrative completeness review time-frame: 85 days.
 - ii. Substantive review time-frame: five days.
 - iii. Overall time-frame: 90 days.
 4. Temporary license. All licenses are temporary for 90 days under A.R.S. § 5-108(F). Unless the Director denies the applicant, a temporary license automatically becomes the license after 90 days.
 5. The Department shall perform a background investigation of an applicant including fingerprint processing through

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the Department of Public Safety and the FBI, and reviewing records of the Association of Racing Commissioners International, Inc., North American Pari-mutuel Regulators Association, information systems, courts, law enforcement agencies, and Department within the time-frame prescribed in subsection (D)(3).

E. Denials

1. A license may be denied if the applicant:
 - a. Has been or is intoxicated or a user of a narcotic drug as defined at A.R.S. § 36-2501(A)(8) within the grounds of the permittee; or
 - b. Fails to disclose the true ownership or interest in any horse.
2. When a license is denied, the Director shall report the reason for the denial in writing to the applicant and to the Association of Racing Commissioners International, Inc. and the North American Pari-mutuel Regulators Association.

F. General requirements and restrictions

1. A licensee who is employed in more than 1 one category or who changes from 1 one category to another shall be licensed in each category.
2. A licensee who is an official at different types of tracks (horse, harness, or greyhound) shall be licensed at each type of track.
3. The Director or designee shall not license a person who is less than 16 years of age in any capacity other than as an owner, and shall not license a person who is less than 18 as an official, trainer, or assistant trainer. A person less than 18, who is licensed as an owner, shall have a parent or guardian sign the owner's license application, assuming full financial responsibility for the owner, before that owner is eligible to be licensed.
4. ~~A license expires on the 30th day of June, 1995, and every 3rd year thereafter, except that:~~
 - a. ~~Apprentice jockey licenses expire as provided in R19-2-109(D)(2).~~
 - b. ~~One-year licenses issued for mutuel workers, concession workers, grooms, and peace officers expire each year on June 30.~~
5. ~~4.~~ When present in the barn area of a horse track, the paddock area, or any other restricted area, a person shall wear in full view a photo identification badge issued by the Department or a pass issued by the permittee.

G. Fees

	1st Year	2nd Year	3rd Year
1. Three-year licenses:			
a. New stable name:	\$124	\$112	\$100
b. Owner/trainer, jockey agent, jockey, or apprentice jockey:	75	50	25
c. Owner, trainer, assistant trainer, veterinarian, authorized agent, official, lessee, lessor, or stable name renewal:	36	24	12
d. Occupational license:	15	10	5
2. One-year licenses:	7		
3. Duplicate license:	5	5	5
4. Temporary claiming license:	36	36	36
5. Authorized agent when licensed in another category:	5	5	5
6. Authorized agent when not licensed in another category:	36	24	12

H-G. Authorized agents

1. A person may hold a license solely as an authorized agent or be licensed as an authorized agent and be licensed in another category.
2. The principal shall sign the license application on behalf of an authorized agent and clearly identify the powers of the agent, including whether the agent is empowered to collect money from the permittee. The license application shall be either notarized or signed in the presence of a Department employee and a copy filed with the horsemen's bookkeeper.
3. To change an agent's powers or revoke and agent's authority, the principal shall describe the changed powers or revoked authority in writing that is either notarized or signed in the presence of a Department official, and filed with the Department and the horsemen's bookkeeper.

ARTICLE 2. RACING REGULATION FUND

R19-2-201. Racing Regulation Fund

The Racing Regulation Fund, established by A.R.S. § 5-113.01, and administered by the Department of Racing, shall collect funding for regulation of racing from the pari-mutuel racing industry from the sources listed below. The Department shall review assessments from each source at least twice a year for the purposes of meeting its budget.

1. Annual license fees established by the Department and set forth in R19-2-202, except for those fees deposited to the Greyhound Adoption Fund pursuant to A.R.S. § 5-113(H).
2. A regulatory assessment for animal medication testing, research, animal safety and welfare from purses at racetracks in an amount established by the Department and set forth in R19-2-203.

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3. A regulatory assessment based on the number of dark days on which wagering is conducted in excess of live racing days for each racetrack permittee issued a racing permit. The assessment shall be in an amount established by the Department and set forth in R19-2-204.
4. A regulatory assessment from all racetracks that have been issued a commercial racing permit to be paid from the amount deducted by the permittee from pari-mutuel pools. The assessment amount may be deducted from pari-mutuel pools in addition to the amounts the permittee is authorized to deduct in A.R.S. § 5-111(C). The assessment shall be based on amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by the permittee in an amount established by the Department, and as set forth in R19-2-205. A permittee shall not reduce the amounts payable to the Department under this subsection for hardship tax credits under A.R.S. § 5-111(I) or for capital improvement credits under A.R.S. §§ 5-111.02 and 5-111.03.
5. License fees collected pursuant to A.R.S. § 5-230(A).
6. The overpayment of a regulatory assessment by a permittee shall be credited to and may be deducted from any regulatory assessment payment due from the permittee in the current fiscal or the following fiscal year.

R19-2-202. Licensing Fees

- A.** When an applicant submits a license application pursuant to R19-2-106 or R19-2-306, the applicant shall also submit the fee listed in subsection (C). The Department shall ensure that a schedule of license and fingerprint processing fees is displayed prominently at each track.
- B.** A license shall be for a period of one year except as stated in this subsection.
1. Horse racing licenses expire each year on June 30 except that:
 - a. Apprentice jockey licenses expire as provided in R19-2-109(D)(2); and
 - b. All multi-year licenses issued prior to July 1, 2011 will expire on June 30, 2012.
 2. Greyhound licenses expire each year on January 31 except that all multi-year licenses issued prior to July 1, 2011 will expire on January 31, 2013.
 3. Pari-mutuel licenses expire each year on January 31 except that all multi-year licenses issued prior to July 1, 2011 will expire on January 31, 2013.
- C.** Annual License Fees
1. Group 1 (coolout, leadout, groom, pari-mutuel, paddock employee) - \$20.
 2. Group 2 (assistant starter/valet, authorized agent-partial, exercise rider, pony person, jockey agent, occupational, additional wagering facility – owners or managers, outrider, security employee, vendor employee, claiming authorization, greyhound hauler) - \$50.
 3. Group 3 (owner, trainer, official, assistant trainer) - \$200.
 4. Group 4 (authorized agent-full, owner-trainer, jockey, apprentice jockey, farrier/plater, veterinarian, kennel name, stable name, RBO [kennel, racing or breeding operation]) - \$250.
 5. Group 5 (Combination RBO) - \$400.
 6. Group 6:
 - a. Vendor A – tote companies - \$1,250;
 - b. Vendor B – video, photo finish, concessionaires, security - \$750;
 - c. Vendor C – simulcast export/signal, distribution/sales provider - \$500;
 - d. Vendor D - all others (data providers, starting gate) - \$350.
- D.** Annual Permittee Fees.
1. Commercial permittee (live racing) - \$2,500;
 2. Commercial permittee (no live racing) - \$1,250;
 3. County fair permittee (live racing no commercial racing) - \$1,500;
 4. County fair permittee/racing at commercial track - \$200;
 5. Commercial permittee general manager, assistant general manager, chief financial officer, 10% or more financial ownership interest - \$250;
 6. County fair manager, county fair treasurer - \$100.

R19-2-203. Regulatory Assessment for Animal Medication Testing, Research, Safety and Welfare

The Department shall assess and collect a regulatory assessment to be deducted from the purse accounts provided for in A.R.S. § 5-111, to pay for racing animal medication testing, research, animal safety and welfare.

1. The regulatory assessment shall be a percentage of the purse accounts in the following amounts:
 - a. For horse racing, the assessment shall equal 0.5 percent.
 - b. For greyhound racing, the assessment shall equal 2.5 percent.
2. The permittee, shall be responsible for calculating the assessment of the purse accounts under the permittee's control and transmitting the assessment funds to the Racing Regulation Fund daily unless otherwise approved by the Department when live racing is conducted at the racetrack. The permittee shall provide the Department with a report each month detailing funds transmitted to the Racing Regulation Fund.
3. The Department may review or audit the permittee's accounts periodically under the authority of A.R.S. § 5-104.01.

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The permittees shall cooperate fully with the Department during these audits.

R19-2-204. Regulatory Assessment for Dark Day Simulcasting

- A.** The Department shall collect an annual regulatory assessment from each racetrack permittee conducting horse or greyhound racing in Arizona and which qualifies under A.R.S. § 5-112 for dark day simulcasting.
- B.** Each permittee shall pay an amount established by the Department based on the number of dark days on which wagering is conducted in excess of the number of live days approved in the racing permit issued the permittee.
 - 1. The Department shall at the start of the year on or before July 1 assess each permittee \$25 per dark day based upon the total number of dark days approved in the permittee's racing permit. The calculation will be determined by the number of dark days approved by the Arizona Racing Commission in excess of the number of live days approved each year during the period of the permit.
 - 2. The permittee shall transmit the total dark day assessment to the Racing Regulation Fund no later than July 15 of each year.

R19-2-205. Regulatory Wagering Assessment of Pari-mutuel Pools

- A.** The Department shall establish and collect a regulatory wagering assessment payable from the amounts deducted from pari-mutuel pools by the permittee, in addition to the amounts the permittee is authorized to deduct in A.R.S. § 5-111(C) from amounts wagered on all live and simulcast races from in-state and out-of-state wagering authorized by the Department to the permittee. A permittee shall not reduce the amounts payable to the Department under this subsection for hardship tax credit under A.R.S. § 5-111(I) or for capital improvement credits under A.R.S. §§ 5-111.02 and 5-111.03.
- B.** The racing regulation assessment for each racing meeting on all in-state and/or out-of-state, on-track, off-track, live, import and/or export wagers and/or wager types shall be 0.375 percent.
- C.** Each permittee shall transmit its assessment daily, unless otherwise approved by the Department, to the Racing Regulation Fund beginning July 1, 2011. A report detailing the assessment shall be transmitted to the Director at the time the assessment is transmitted.
- D.** The Department may audit the permittee's pari-mutuel accounts periodically under the authority of A.R.S. § 5-104.01. The permittee shall cooperate fully with the Department during these audits.

ARTICLE 3. GREYHOUND RACING

R19-2-302. Definitions

In these rules, unless the context otherwise requires:

- 1. "Added money" means the money a permittee adds to the nominating and starting fees in a race.
- 2. "Adequate feed" means supplying the greyhound a quantity of foodstuffs daily for its age and weight to maintain a reasonable level of nutrition.
- 3. "Age" means the age of a greyhound as computed from the day the greyhound was whelped.
- 4. "Authorized agent" means a person appointed pursuant to R19-2-306(I) of these rules.
- 5. "Breeder" of a greyhound means the owner or lessee of its dam at the time of whelping.
- 6. "Breeding farm" means a facility where greyhounds are bred and raised.
- 7. "Breeding place" means the place of birth of a greyhound.
- 8. "Commission" means the Arizona Racing Commission.
- 9. "Course" means the track over which greyhounds race.
- 10. "Declaration" means the act of withdrawing an entered greyhound from a race.
- 11. "Department" means the Arizona Department of Racing.
- 12. "Director" means the Director of the Arizona Department of Racing.
- 13. "Entrance fee" means a fee set by the permittee which must be paid in order to make a greyhound eligible for a stakes race.
- 14. "Entry" means a greyhound eligible and entered in a race.
- 15. "Equipment" as applied to greyhounds means muzzles and number blankets.
- 16. "Exercise areas" are fenced locations where greyhounds are released to exercise for a short period of time and then returned to their kennel housing crates, or to their run housing.
- 17. "Field" means the entire group of greyhounds in a race.
- 18. "Foreign substance" means any drug, medicine, or any other substance foreign to the greyhound's body which does or may affect the racing condition of a greyhound or which does or may affect sampling or testing procedures. Foreign substances include, but are not limited to, stimulants, depressants, local anesthetics, narcotics, and analgesics.
- 19. "Grounds" means the entire area used by the permittee to conduct racing meetings including, but not limited to, the track, grandstand, kennels, concession areas, and parking facilities.
- 20. "Kennel housing" means any facility where greyhounds are housed indoors.
- 21. "Kennel owner" means a person who has a contract or agreement with a permittee to provide dogs to the permittee's facility.
- 22. "Lawfully issued prescription" means a prescription-only drug, as defined in A.R.S. § 13-3401, obtained directly or

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- pursuant to a valid prescription or order from a licensed physician acting in the course of professional practice.
23. "Lessee" or "lessor" means a person who has leased a greyhound for racing or breeding purposes.
 24. "Lure" means mechanical apparatus consisting of the following component parts: A stationary rail installed around the track and a reasonable decoy which shall be attached to the pole.
 25. "Maiden" means a greyhound which at the time of starting has never won a race in any country on a recognized track or which has been disqualified after finishing first.
 26. "Manager/Agent," for purposes of R19-2-327, means a person managing a racing kennel, breeding farm, or other operation.
 27. "Matinee" means a schedule of races conducted upon a track in daylight hours.
 28. "Meeting" means the entire period for which a permit to conduct racing has been granted to any permittee by the Department.
 29. "Night performance" means a schedule of races conducted upon a race track during night hours.
 30. "Nominating fee" means a fee set by the permittee which must be paid in order to make a greyhound eligible for a stakes race.
 31. "Nomination" means the naming of a greyhound or its pup (offspring) to compete in a specific race or series of races, eligibility for which may be conditional upon the payment of a fee at the time of naming.
 32. "Nominator" means the person in whose name a greyhound is nominated for a stakes or handicap race.
 33. "Off time" means the moment at which, on signal of the starter, the greyhounds break and run.
 34. "Other operation" means a facility where greyhounds are trained, or kept.
 35. "Owner" means any person possessing all or part of the legal title to a greyhound, or any person possessing all, or part of the legal interest in a racing kennel, breeding farm, or other operation.
 36. "Place" means the position in which a greyhound finishes in a race and, more specifically, win-first, place-second, and show-third.
 37. "Post position" means the position assigned to a greyhound for the start of a race.
 38. "Post time" means the time set for the arrival at the starting point of the greyhounds in a race.
 39. "Prohibited substance" means any substance regulated by A.R.S. Title 13, Chapter 34.
 40. "Race" means a contest among greyhounds for purse, stakes, premium, or wager for money, run in the presence of the racing officials of the track and of the Department.
 - a. "Hurdle race" means a race over a course in which jumps or hurdles are used.
 - b. "Match race" means a race between ~~2~~ two or more greyhounds, each the property of different owners, on terms agreed upon by the owners and approved by the Department.
 - c. "Overnight race" means a race for which entries close 96 hours or less before the time set for the first race of the day on which such race is to be run.
 - d. "Purse race" means a race for money or other prize to which the owners of the greyhounds engaged in the race do not contribute an entry fee.
 - e. "Race on the flat" means a race over a course in which no jumps or other obstacles are placed.
 - f. "Stakes race" means a race in which any monies are to be deposited by the owners of the greyhounds engaged in the race, including a race in which money or other prize is added, and in which nominations must close more than 72 hours before the time for the first race of the day on which such stakes race is to be run.
 41. "Racing Regulation Fund" is a fund established by A.R.S. § 5-113.01 and administered by the Department, to receive funding for regulation from various pari-mutuel racing industry sources.
 - ~~41-42.~~ "Racing kennel" means a kennel located off-track and operated under contract, or agreement with a permittee to provide greyhounds to the permittee's facility.
 - ~~42-43.~~ "Recognized track" means a track where pari-mutuel wagering is authorized by law.
 - ~~43-44.~~ "Ruled off" means the act of barring from the grounds of a permittee and denying all racing privileges.
 - ~~44-45.~~ "Run housing" means a fenced area where greyhound puppies and nonracing greyhounds live and are permitted to move about freely.
 - ~~45-46.~~ "Scratch" means the act of withdrawing an entered greyhound from a race after the drawing for post positions in that race has been completed. There shall be no substitutions or replacements after post positions have been drawn.
 - ~~46-47.~~ "Scratch time" means the time set by the permittee for the withdrawing of entries from the races of that day.
 - ~~47-48.~~ "Starting fee" means a fee set by the permittee which must be paid in order to start in a race. This fee is specified by the conditions of the race.
 - ~~48-49.~~ "Starting greyhound" means a greyhound which leaves the paddock for the post, excluding:
 - a. A greyhound subsequently excused by the stewards, or
 - b. A greyhound whose starting box door does not open in front of it at the time the starter dispatches the field.
 - ~~49-50.~~ "Subscription" means the act of nominating to a stakes race.
 - ~~50-51.~~ "Supplemental fee" means a fee set by the permittee to make a greyhound eligible for a stakes race that must be paid at a time prescribed by the permittee.
 - ~~51-52.~~ "Suspended" means that any privilege granted by the officials of a racing meeting or by the Commission or the

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Department has been temporarily withdrawn.

~~52-53.~~ "Sustaining fee" means a fee which must be paid periodically, as prescribed by the conditions of the race, in order to keep a greyhound eligible for that race.

~~53-54.~~ "Tote/totalizer" means the machines which sell mutuel tickets and the board on which the approximate odds are posted.

~~54-55.~~ "Track" means the course over which races take place.

~~55-56.~~ "Trainer" means the person employed by an owner or lessee to condition greyhounds for racing.

~~56-57.~~ "Turn-out pens" are enclosed, or fenced areas where racing greyhounds are briefly released from their kennel housing crates for the purpose of urinating and defecating.

~~57-58.~~ "Walkover" means a race in which there are not ~~2~~ two or more greyhounds of separate interest sent postward.

~~58-59.~~ "Weighing in" means the act of recording weight of a greyhound taken at the first weighing in, in accordance with these rules.

~~59-60.~~ "Weighing out" means the act of recording weight of a greyhound previous to post time or time of the race in which it is entered.

~~60-61.~~ "Whelped" means the birth of a greyhound.

R19-2-304. Permittee Responsibilities

- A. A permittee shall maintain the grounds in a neat, clean, and safe condition. If a steward determines that compliance does not exist, he or she shall require that the permittee immediately bring the grounds into compliance.
- B. It shall be the responsibility of the permittee to prevent any person, corporation, firm, or association not licensed by the Department from doing or performing any act or acts at its track which requires a license under A.R.S. Title 5, Chapter 1, or under these rules.
- C. Each permittee department head shall be responsible for seeing that his or her employees are licensed and shall furnish a list of said employees upon request.
- D. A permittee shall take all steps necessary to deny the privileges of a license to anyone whose license has been revoked or suspended, to keep such person off the grounds of the permittee, and to prevent a person who has been ruled off from entering upon the grounds of the permittee.
- E. No permittee or any of its employees shall obstruct in any way a representative of the Department acting in the performance of his or her duties.
- F. No permittee shall knowingly allow on its grounds any betting or other operations in contravention of any law of the state of Arizona or of the United States.
- G. The permittee shall forthwith report all observed violations of any racing regulation or statute to the Department and shall cooperate with the Department and state, federal, and local authorities in investigations thereof.
- H. A permittee shall provide the following services at the track:
 1. An adequate security force whose duties shall include:
 - a. Maintaining order.
 - b. Excluding from the grounds all handbooks, touts, and operators of gambling devices.
 - c. Excluding from the grounds all persons ruled off by the stewards or the Department.
 - d. Excluding from the grounds all persons not eligible for a license, pursuant to A.R.S. § 5-108, and all other undesirable.
 - e. Reporting forthwith to the stewards any licensee who, while on the premises of the permittee, creates a disturbance, is intoxicated, interferes with any racing operation, or acts in an abusive or threatening manner to any racing official or other person.
 2. A security guard stationed at the kennel area entrance whose duties shall include:
 - a. Denying entrance to all persons not holding a license or credentials issued by the Department or a Department pass issued by the permittee.
 - b. Allowing any person seeking employment with the permittee to have access to that area for a period of + one day, provided that:
 - i. Such person is given a numbered card or temporary badge.
 - ii. A list of recipients of the numbered cards or temporary badges is provided to the track office of the Department upon request.
 - iii. The numbered card or badge is retrieved by the security guard when such person leaves the restricted area.
 3. A furnished office, including utilities and necessary office equipment, for the exclusive use of Department employees and officials.
 4. A uniformed security official approved by the Department to be on duty in the test area during its regular business hours whose duty shall be to provide security and monitor the collection procedure and sealing of samples taken from the greyhounds.
 5. Adequate space and facilities so that the testing personnel may perform inspections, tests, and other collection procedures. Access to such space shall be restricted.
 6. First aid quarters to be available during racing hours.

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7. A copy of all tip sheets offered for sale in the parking area or elsewhere on the grounds of the permittee to be furnished daily to the stewards not later than ~~3~~ three hours before first post.
- I. No tip sheets, pamphlets, or other printed matter purporting to predict the outcome of a race other than official programs and newspapers shall be sold in the betting area.
- J. Wagering shall be conducted upon the grounds of a permittee only under the pari-mutuel method as provided by statute and these rules and by the use of such mechanical or other equipment as the Department may require. Bookmaking or betting other than by the pari-mutuel method is prohibited.
- K. No permittee shall allow the official racing of greyhounds on any track under its control unless:
 1. All track rules shall be posted conspicuously and a copy of said rules shall be filed with the Department.
 2. The conditions of the race have been written by the racing secretary at the meeting.
 3. The entries have been made in accordance with the requirements set forth in R19-2-316.
 4. The race is programmed as a part of a regular racing card conducted under the pari-mutuel system.
 5. A simulcast originating from a racing facility within the state of Arizona may be permitted provided the out-of-state facility receiving the signal operates under the approval and regulation of an official agency of that state.
- L. On a daily basis, and as soon as the entries have been closed and compiled and the declarations have been made, the permittee shall post a list thereof in a conspicuous place.
- M. A list of all officials and directors of the permittee and of track and racing officials, together with such pertinent rules as the Department may designate, shall be printed on a daily racing program.
- N. No permittee shall allow an official to act until his appointment has been approved by the Department; provided, however, that in the case of sickness or inability to act, the provisions of R19-2-309(A)(5) of these rules apply.
- O. The permittee shall provide a photo finish and videotape device approved by the Department for the purpose of recording all official races. Said photographs and videotapes may be used to aid the stewards in determining the finishes of races. Permittees shall retain for ~~3~~ three months all official race photographs and videotapes. The Department may require that specific photographs and videotapes be retained for a longer period of time or be transmitted to the Department for subsequent administrative or judicial proceedings.
- P. Any automatic timing device installed by the permittee must have the approval of the Department.
- Q. Each permittee shall furnish the Department with annual financial statements audited and certified by a firm approved by the auditor general.
 1. The audit shall be conducted in accordance with audit standards prescribed by the auditor general.
 2. The financial statements shall be prepared in accordance with generally accepted accounting practices.
 3. The following shall be submitted as information accompanying the financial statements in a form prescribed by the Department.
 - a. The total amount of salaries and bonuses expense.
 - b. Legal and accounting expense attributable to racing-related matters.
 - c. An explanation of the types of revenues and expenses classified in accounts titled "other.":
 - d. Such other information as shall be requested by the Commission or Department.
 4. Financial statements of permittees granted original permits prior to July 1, 1982, shall be on a calendar year basis. Financial statements of permittees granted original permits after July 1, 1982, may be on a fiscal or calendar year basis at the discretion of the Director.
 5. Financial statements shall be submitted within 120 calendar days of the end of the fiscal or calendar year.
- R. Each permittee shall comply with the provisions of Article 2 of this Chapter.

R19-2-306. Licensing

- A. A person participating in any capacity in a racing meeting, including any person who performs services in connection with the conduct of the racing meeting, shall obtain a license from the Department, except:
 1. A person performing services during a county fair race meet who is identified by a steward as a volunteer; or
 2. A person owning less than 10 percent of outstanding shares of stock, regardless of classification or type, of any permittee or licensee.
- B. Applications
 1. To apply for a license, a person shall complete the license application prescribed by the Department.
 2. The Department may issue written instructions regarding the preparation and execution of the license application, and the instructions may be a part of or separate from the application form, or both.
 3. When an applicant submits a license application, the applicant shall also submit the fee ~~listed in subsection (G). established by the Department pursuant to R19-2-202(C).~~ The Department shall ensure that a schedule of license and fingerprint processing fees is displayed prominently at each track.
 4. An applicant who is at least 18 years of age shall submit a full set of fingerprints to the Department. The fingerprints shall be taken by the Department or certified by a municipal police department, sheriff's office, or other authority acceptable to the Department.
 5. An applicant for a trainer license shall demonstrate knowledge and skill in protecting and promoting the safety and welfare of animals participating in racing meetings by passing an examination prescribed by the Department. An

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applicant who fails to pass the examination shall wait at least six months before retaking the examination.

6. An applicant for a racing license shall indicate on the license application whether the applicant hires employees or independent contractors to work at an Arizona racetrack. For the purposes of this Section, "employee" has the meaning in A.R.S. § 23-902(B) and "independent contractor" has the meaning in A.R.S. § 23-902(C).
 - a. An applicant that hires employees to work at an Arizona racetrack shall provide proof of compliance with A.R.S. § 23-961(A) by providing to the Department a copy of the declaration page of the applicant's workers' compensation insurance policy.
 - b. The Department shall notify the Industrial Commission of Arizona of an applicant that fails to provide proof of workers' compensation insurance as required in this Section. The Department shall notify the Industrial Commission of Arizona of an applicant that hires independent contractors to enable the Industrial Commission of Arizona to investigate the characterization of the applicant's workers as independent contractors.
- C. Each applicant and licensee shall know and follow the rules governing racing in Arizona.
- D. License procedure
 1. Under delegation from the Director, a steward shall grant or deny a temporary license and transmit the license application to the Director.
 2. In considering each application for a license, a steward may require the applicant, as well as the applicant's endorsers, to appear before the steward and show that the applicant is qualified in every respect to receive the license requested. The steward shall grant a license only if the applicant meets all the requirements in A.R.S. Title 5, Chapter 1, and these rules.
 3. Licensing time-frame.
 - a. Administrative completeness review time-frame
 - i. Within 85 days after receiving a license application, the Department shall determine whether the license application contains the information required by subsection (B).
 - ii. If the license application is incomplete, the Department shall issue a written notice that specifies what information is required and return the license application. If the license application is complete, the Department shall provide a written notice of administrative completeness.
 - iii. The Department shall deem a license application withdrawn if the applicant or licensee fails to file a complete license application within 10 days of being notified that the license application is incomplete.
 - b. Substantive review time-frame. Within five days after determining that a license application, is administratively complete, the Department shall determine whether the applicant or licensee meets all substantive requirements and the Director, or designee, shall issue a written notice granting or denying a license.
 - c. Overall time-frame. For the purpose of A.R.S. § 41-1073, the Department establishes the following time-frames for issuing a license:
 - i. Administrative completeness review time-frame: 85 days.
 - ii. Substantive review time-frame: five days.
 - iii. Overall time-frame: 90 days.
 4. Temporary license. All licenses are temporary for 90 days under A.R.S. § 5-108(F). Unless the Director denies a license to an applicant, a temporary license automatically becomes the license after 90 days.
 5. The Department shall perform a background investigation of an applicant including fingerprint processing through the Department of Public Safety and the FBI, and reviewing records of the Association of Racing Commissioners International, Inc., North American Pari-mutuel Regulators Association, information systems, courts, law enforcement agencies, and Department within the time-frame prescribed in subsection (D)(3).
- E. Denials
 1. A license may be denied if the applicant:
 - a. Has been or is intoxicated or a user of a narcotic as defined at A.R.S. § 36-2501(A)(8) within the grounds of the permittee, or
 - b. Fails to disclose the true ownership or interest in any greyhound.
 2. When a license is denied, the Director shall report the reason for the denial in writing to the applicant and to the Association of Racing Commissioners International, Inc. and the North American Pari-mutuel Regulators Association.
- F. General requirements and restrictions
 1. A licensee who is employed in more than one category or who changes from one category to another shall be licensed in each category.
 2. A licensee who is an official at different types of tracks (horse, harness, or greyhound) shall be licensed at each type of track.
 3. The Director or designee shall not license a person who is less than 16 years of age in any capacity other than as an owner; and shall not license a person who is less than 18 as an official, trainer, or assistant trainer. A person who is less than 18 who is licensed as an owner, shall have a parent or guardian sign the owner's license application, assuming full financial responsibility for the owner, before that owner is eligible to be licensed.
 4. A license expires on January 31, 1996, and every third year thereafter, except that one-year licenses issued for mutuel

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~~workers, concession workers, lead-outs, cool-outs, and peace officers expire each year on January 31.~~

~~5.4. When present in the kennel area of a greyhound track, the paddock area, or any other restricted area, a person shall wear in full view a photo identification badge issued by the Department or pass issued by the permittee.~~

G. Fees:

	1st Year	2nd Year	3rd Year
1. Three year licenses:			
a. New kennel name:	\$124	\$112	\$100
b. Owner/trainer:	\$75	\$50	\$25
c. Racing kennel, breeding farm, or other operation:	\$75	\$50	\$25
d. Owner, trainer, veterinarian, official, lessee, lessor, assistant trainer, kennel name renewal, or kennel owner:	\$36	\$24	\$12
e. Occupational license:	\$15	\$10	\$5
2. One-year license:	\$7		
3. Duplicate license:	\$5	\$5	\$5
4. Authorized agent when licensed in another category:	\$5	\$5	\$5
5. Authorized agent when not licensed in another category:	\$36	\$24	\$12

H.G. Authorized agents

1. A person may hold a license solely as an authorized agent or be licensed as an authorized agent and be licensed in another category.
2. The principal shall sign the license application on behalf of an authorized agent and clearly identify the powers of the agent, including whether the agent is empowered to collect money from the permittee. The license application shall be either notarized or signed in the presence of a Department employee and a copy filed with the track bookkeeper. If there is a separate power of attorney, the principal shall file a copy of the instrument with the bookkeeper and the Department.
3. To change an agent's powers or revoke an agent's authority, the principal shall describe the changed powers or revoked authority in writing that is either notarized or signed in the presence of a Department official, and filed with the Department and the track bookkeeper.