



## Advisory Committee Meeting

OAR 462-220-0040 and OAR 462-220-0030 Approval of Affiliates and  
OAR 462-220-0050 Non-Merged Pools.

The Advisory Committee will meet Thursday, December 4, 2025, 12:00 pm – 1:00 pm Pacific Time via video Conference. Teams link: [Join the meeting now](#)

### AGENDA ITEMS

1. Call to order
2. Review of proposed language amendments:
  - OAR 462-220-0030: Adds requirements for affiliates
  - OAR 462-220-0040: Cleans up languages and addresses non-merged pools
  - OAR 462-220-0050: Clarifies non-merged pools reimbursements for ORC expenses
    - a. Discussion/recommendations
3. Public comment
4. Closing remarks
5. Meeting adjourned

## 462-220-0030

### Approval of the License for a Hub Operation

(1) Prior to operating a hub, the entity must submit a completed application and be granted a license, from the commission, to conduct simulcasting and pari-mutuel wagering in accordance with ORS 462.725 and these rules as a "Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub."

(a) A license duration will be five years and is subject to annual audits. Subsequent renewals shall be submitted for review and approval by the commission at least 60 days before June 30th of the fifth year.

(b) The current, daily licensing fee is to be remitted no later than June 30th preceding the July 1 start of each year licensing has been granted or is being requested. Upon request from a hub entity the executive director shall permit the hub entity to make semiannual or quarterly payments of the daily licensing fee with the first payment due no later than June 30.

(2) An applicant for a "Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub" license must provide the following information as part of the application thirty days prior to the scheduled commission meeting at which the application is to be presented:

(a) The applicant's legal name;

(b) If the applicant is a corporation, the names, addresses, dates of birth of its shareholders, directors and officers; if a shareholder is a corporation the date of incorporation, the place of incorporation and the names, addresses, and dates of birth of its shareholders, directors and officers must be provided;

(c) If the applicant is a partnership the names, addresses, dates of birth of the partners; if a partner is a corporation the date of incorporation, the place of incorporation and the names, addresses, and dates of birth of its share holders must be provided;

(d) If the applicant is a corporation ultimately owned by a not-for-profit entity without any shareholders, or is a publicly traded corporation, the information required in subsection (2)(b) and (2)(c) of this rule shall be required from the directors of the membership organization, or the directors and officers of the publicly traded corporation, in lieu of the shareholders;

(e) The names of the race tracks the applicant, or its agent, has contracts with that allow the applicant to provide the simulcast signals and pari-mutuel wagering on the product;

(f) Financial information from the applicant that demonstrates whether the applicant has the financial resources to install and operate a hub;

(g) A detailed budget showing anticipated revenue, expenditures and cash flows by month, from the hub's operation during the license period;

(h) The number of days that the applicant is planning to operate the hub during the fiscal year in which they are seeking to be licensed;

(i) A list of all hub personnel containing the name, position, job location, license number and expiration date. All current gaming licenses should be listed, regardless of jurisdiction;

(j) A chart illustrating the organizational structure, including reporting lines;

(k) A list of all states where the hub is operating; and

(l) Documentation of proper filing that the Hub applicant and/or parent company is registered to do business in the state of Oregon.

(3) As part of the application for licensure as a hub, the applicant shall submit a detailed plan of operations in a format and containing such information as required by the commission. At a minimum, the operating plan shall address the following issues:

(a) The manner in which the proposed simulcasting and wagering system will operate;

(b) The requirements for a "qualified subscriber based service" or "closed loop subscriber based system" set out in OAR 462-220-0010(2);

(c) Programs for responsible wagering; Beginning July 1, 2023, responsible wagering programs must include at a minimum:

(A) Annual training for all staff that interact directly with account holders;

(B) Advertising must include responsible wagering messaging;

(C) An account holder may request a one year, three year, five year or a lifetime self-exclusion;

(D) An account holder that has elected to self-exclude will be removed from any type of direct advertising or promotions; and

(E) Responsible wagering resources must be available on all ADW web and other sites, and must include information about where to get additional help.

(d) Mitigation for the effects of account wagering on the source market in Oregon. In addition to the source market mitigation plan as outlined in the application, more detailed source market information shall be provided by the hub at the commission's request. A mitigation plan must include one of the following options:

(A) An agreement with a state commercial race meet licensee as defined in ORS 462.062, a copy of which has been submitted to the commission; or

(B) A written agreement with the Oregon HBPA, a copy of which has been submitted to the commission; or

(C) A written plan submitted to, and approved by, the commission that mitigates the effect of account wagering and provides equitable compensation to the commercial race meet licensee as defined in ORS 462.062. Source market fees shall be paid statewide on Oregon accounts. Accounts must be available to Oregon residents if a hub is licensed in Oregon.

(e) The requirements for accounts established and operated for persons whose principal residence is outside of the state of Oregon. The commission may require changes in a proposed plan of operations as a condition of granting a license. No subsequent changes in the system's operation may occur unless ordered by the commission or until approval is obtained from the commission after it receives a written request.

(f) A list of any affiliate sites or potential affiliate sites of the hub. The operating plan must provide the following information and meet the following affiliate guidelines:

(A) The name and web address of the affiliate site.

(B) The person or companies involved in the affiliate agreement.

(C) That the affiliate site agreement is clearly noted as either a marketing or service agreement.

(D) Customers using the affiliate site will be customers of the licensed hub, subject to the same verification process and account operational procedures as any other customer of said hub licensee.

(E) The wagers placed through the affiliate site will be processed through equipment owned and operated by the licensed hub and their commission approved tote provider.

(F) The commission approved totalizator provider will incorporate the handle of the affiliate site into the handle report for the licensed hub, or generate a separate daily report for this handle. In either case, the handle will count as part of the hub licensee's handle, and the hub licensee will be responsible for all taxes on the handle generated from their own site and any affiliate sites.

(G) The affiliate site will be branded in some form to indicate to the customer that they will be wagering through systems operated by the licensed hub. The commission reserves the right to approve or deny any affiliate sites. Additionally, the commission may determine a handle level at which an affiliate site may need to apply for its own hub license, or at which the hub licensee must be subject to the tax rate described in OAR 462-220-0040(3).

**(H) The CEO/President and any operational staff management of the Affiliate shall have a current Oregon Racing Commission license.**

**(I) The service level agreement or contract shall state a right to audit by the Oregon Racing Commission.**

(4) Multi-jurisdictional hubs that offer handicapping contests must list each contest as a live money contest and/or an entry fee contest. All applications for approval must be accompanied by agreement(s) from the tracks.

(5) The commission may conduct investigations or inspections or request additional information from the applicant as it deems appropriate in determining whether to approve the license application.

(6) The fee of \$200 per day that the hub is scheduled to operate must accompany the application. If the license is denied by the commission the fee will be refunded less the amount equal to the amount that the commission expended in conducting investigations and inspections which was in excess of the expenses that would have otherwise been incurred by the commission.

(7) To ensure that the funds of an applicant's account holders will be properly held and maintained by the applicant:

(a) The applicant must provide evidence to the commission that the applicant has established a segregated account (the Bank Account) in which all funds of its account holders will be deposited in an insured account, approved by the commission, solely for the benefit of the account holders:

(A) No hub shall use the funds deposited in the Bank Account for any purpose except to facilitate the wagering activities and other instructions or agreements of account holders. The funds of an account holder held in the Bank Account shall remain the property of the account holder for all purposes until wagered by the account holder or otherwise withdrawn or used in accordance with the account holder's instruction or agreement;

(B) The hub shall maintain a record of each deposit, withdrawal or other use of funds held in the Bank Account for each account holder (the Customer Record);

(C) Any account holder, who claims that any credit or debit to his or her Customer Record is incorrect or who claims that any deposit, withdrawal or use of the account holder's funds is incorrect, may file a claim with the commission. The commission shall investigate all claims and provide the hub with an opportunity to respond to such claim. The hub may submit any information, documentation or other evidence supporting its position with respect to the claim. If the commission determines that the Customer Record is incorrect or that any deposit, withdrawal or use of an account holder's funds was incorrect, the hub shall have 10 days to correct same as instructed by the commission. Such correction may require the hub to correct the Customer Record for the account holder, to deposit additional funds into the Bank Account for the account holder, to remit funds directly to the account holder, or any combination thereof.

(b) The applicant must provide a \$50,000 irrevocable bond, letter of credit, or other security instrument to the commission, in a form acceptable to the commission, which designates the commission as the beneficiary thereof (the Security Instrument). The Security Instrument shall permit the commission to make draws to cover such amounts as the commission finds is necessary. For example, if a hub fails to deposit funds into the Bank Account for an account holder or to remit funds directly to the account holder, as described in subsection (7)(a)(C) above, within 10 days of the commission's decision, the commission may draw down on or take other appropriate action against the Security Instrument to ensure the account holder is immediately made whole.

(8) An applicant licensed under this section may enter into such agreements, as for what it deems good and sufficient reasons, that are necessary to promote, advertise and further the sport of racing or that may be necessary for the effective operation of interstate account wagering, including, without limitation, television production and telecommunications services.

(9) An applicant must maintain an operational presence within the State of Oregon. A call center for customer wagering, a sub-contract with an existing call center for customer wagering, or a business office is required. In addition, totalizator equipment must be located in Oregon, and services must be provided by a totalizator vendor identified in the hub operating plan as approved by the commission.

(10) An applicant must provide the following to the commission:

(a) Access to customer call monitoring, account holder detail, and electronic wagering data;

(b) On site regulatory visits of the call center by authorized commission staff; and

(c) Reimbursement to the commission for expenses associated with out-of-state regulatory visits.

(11) For accounts closed on or after July 1, 2024, an applicant must maintain all customer account-related documentation for a minimum of three years, or for the duration of any self-exclusion period, whichever is greater, except as otherwise provided by this rule. Account-related information includes, but is not limited to, wagering activity, deposits, and withdrawals.

(a) For self-excluded individuals whose elected period is beyond three years, the applicant is only required to maintain documentation necessary to identify the self-excluded individuals and retain those records for

the duration of the self-excluded period.

(b) Electronic customer communications, including but not limited to, email, text, and social media, must be retained for a period of not less than one year.

(c) Audio recording(s) must be retained for a period of not less than three months.

#### [462-220-0040](#)

##### **State of Oregon Share of the Pari-Mutuel Handle.**

In addition to the licensing fee set forth in OAR 462-220-0030(6), the hub operator shall pay to the Oregon Racing Commission the payments authorized by ORS 462.725(4)(b) on all **gross net** mutuel wagering receipts recorded by the hub's totalizator system during the license period. The payments shall be made as follows:

(1) Payments shall be made each month based on the **gross net** mutuel wagering receipts for that month.

(2) Payments shall be made in a timely manner as prescribed by the executive director of the commission.

(3) Payments shall be calculated according to one of the following formulas as elected by the hub operator in the manner specified in section (6):

(a) Payment of 0.125% of the first 60 million dollars in **gross net** mutuel wagering receipts during the license period and 0.25% of the **gross net** mutuel wagering receipts in excess of 60 million dollars during that period; or

(b) Payment of 0.25% of **gross net** mutuel wagering receipts, except that if the hub operator conducts business in a state where hubs are specifically authorized and the tax rate is less than 0.25%, the tax rate for wagers by the residents of such state would be that of the state in which they reside. This exception is limited to a single state designated by the hub operator in the manner specified in section (7).

~~(4) Advanced deposit wagering handle from past live racing products will be calculated separately from all other gross net mutuel wagering receipts recorded by the hub's totalizator system. These product wagering receipts will, however, follow the same payment structure as all other gross net wagering receipts including the maximum payment set out in section (6).~~

(5) **(4)** Each affiliate of a licensed multi-jurisdictional hub will follow the same payment structure as the licensed multi-jurisdictional hub including the **calculations set out in section 3 and the** maximum payment set out in section 6. The additional payments, as outlined in (3), will occur after the affiliate's first \$20,000,000.00 in handle or after the licensee has reached their maximum payment, whichever occurs last. The first \$20,000,000.00 of the affiliate's handle and any additional handle if the licensee has not yet reached their maximum payment is exempt from separate fee payments. The first \$20,000,000.00 will nevertheless apply toward the licensee's maximum payment. **If an affiliate is operating non-merged pools, and exceeds the maximum payment as defined in (6), they shall pay .125% on all additional non-merged pool wagers placed through the licensee. There will be no maximum payment assessed on wagers placed on non-merged pools.**

**(5) The maximum payment for each fiscal year will be published in advance and will increase by 2.5% each fiscal year. The commission may change that limit prior to the start of each fiscal year.**

~~(6) Notwithstanding OAR 462-220-0040 (5), the maximum payment set out in section (6) will increase 2.5% on an annual basis for each fiscal year through 2029-2030 unless the commission changes that limit before the beginning of a fiscal year. Maximum payments through fiscal year 2029-2030 are calculated below.~~

~~Fiscal Year — Fee Payment Schedule:~~

~~2025-26 — \$838,027.88~~

~~2026-27 — \$858,978.58~~

~~2027-28 — \$880,453.04~~

~~2028-29 — \$902,464.37~~

~~2029-2030 — \$925,025.97~~

~~(7)~~ **(6)** The hub operator shall state in its license application its election to pay tax calculated pursuant to section (3), subsections (a) or (b), for ~~gross net~~ **gross net** mutuel wagering handle ~~minus cancels and refunds~~ and shall also designate a state that is subject to the exception in section (3), subsection (b), if that formula is elected. The hub operator statement shall be made in its license application or at such other time as is specified by the Commission. Neither the payment formula nor the state subject to the exception may be changed during a license period without the prior approval of the Commission.

Statutory/Other Authority: ORS 462.270(3) & 462.725

Statutes/Other Implemented: ORS 462.725

History:

[RC 13-2025, minor correction filed 10/08/2025, effective 10/08/2025](#)

[RC 10-2025, amend filed 08/27/2025, effective 08/28/2025](#)

[RC 5-2024, amend filed 02/23/2024, effective 02/23/2024](#)

[RC 2-2023, amend filed 03/02/2023, effective 03/02/2023](#)

[RC 2-2019, amend filed 10/10/2019, effective 10/10/2019](#)

[RC 8-2018, amend filed 12/10/2018, effective 12/10/2018](#)

RC 2-2016, f. & cert. ef. 5-9-16

RC 3-2012, f. 10-9-12, cert. ef. 10-15-12

RC 2-2012, f. 5-29-12, cert. ef. 6-1-12

RC 1-2005, f. 5-23-05, cert. ef. 7-1-05

RC 3-2004, f. 6-23-04, cert. ef. 7-1-04

RC 4-2003, f. 6-20-03, cert. ef. 7-1-03

RC 3-2003, f. 6-13-03, cert. ef. 7-1-03

RC 4-2002, f. & cert. ef. 6-28-02

RC 1-2001, f. & cert. ef. 3-19-01

RC 3-2000, f. 3-27-00, cert. ef. 5-1-00

Fiscal impact: No

Advisory meeting required: Yes

Hearing requirement: Yes



## 462-220-0050

### **Total Take-out Rates for Non-Merged Pools**

(1) A Hub operator may include a provision for hosting non-merged pools as part of their operating plan or update to the plan. Subject to approval by the Commission, the Hub operator shall:

(a) As part of the operating plan or update to the plan, set the total take-out rate for those wagering pools which are not merged with the wagering pools of the racetrack where the race is being run live; and

~~(b) Pay a 1% fee to the Commission for all hosted non-merged wagers excluding wagers placed through the Hub operator's own ADW system which will be taxed under the formulas set out in OAR 462-220-0040.~~

**(b) The Commission may require reimbursement for any oversight of non-merged pools, which will be negotiated in advance.**

(2) Fees required under this provision do not apply to wagering options such as a betting exchange.

**Statutory/Other Authority:** ORS 462.270(3) & 462.725

**Statutes/Other Implemented:** ORS 462.725

**History:**

RC 2-2012, f. 5-29-12, cert. ef. 6-1-12

RC 3-2000, f. 3-27-00, cert. ef. 5-1-00

Fiscal impact: No

Advisory meeting required: Yes

Hearing requirement: Yes