

**HORSE RACING ALBERTA**

***RACETRACK LICENSING RULES***

**HORSE RACING ALBERTA**

***RACING CORPORATION ACT***

**Important Notice**

**This document consolidates the amendments made to the *Race Track Licensing Rules*. The initial *Race Track Licensing Rules* were published in the *Alberta Gazette* dated 31 January 1998. Amendments were published in the *Alberta Gazette* dated 15 April 2002 and 30 April 2002. This consolidation has been prepared for convenience of reference only. It has no legal effect or legal sanction.**

***RACE TRACK LICENSING RULES***

**PART 1**

**APPLICATION, REQUIREMENT FOR LICENCES  
AND RACE TRACK CLASSIFICATION**

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## HORSE RACING ALBERTA RACING CORPORATION ACT RACE TRACK LICENSING RULES

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### Statement of objectives:

Central to the Horse Racing Alberta's plan for the strategic direction of the horse racing industry is the implementation of the recommendations of the Alberta Horse Racing Industry Review, Working Committee Recommendations 2001. Implementation will be achieved by the solidification of principle racing venues, using race track licensing as the catalyst, guided by sound business and strategic plans.

In seeking and considering proposals for race track licences in Alberta it is the intention of the Corporation to:

- (a) promote the development of high quality race tracks for horses, customers, owners and racing personnel;
- (b) enable the market for pari-mutuel horse racing to mature and expand as warranted, largely by consumer demand;
- (c) limit the number of race track licences to the number which the Corporation determines the Alberta market can support, so as to encourage agriculture and the breeding of horses in Alberta, and to hold race meeting in Alberta of the highest quality;
- (d) link race track licences dates, so that live horse racing is a prerequisite for maintaining a gaming licence. These "Racing Entertainment Centres" would include live horse racing (as their principal business) and simulcasting (potentially both on and off track) and should also be supported by other gaming facilities (for example, slot machines) as well as other forms of entertainment.
- (e) ensure successful applicants for licences demonstrate a strong emphasis on customer service and appreciation and a demonstrated willingness to continually upgrade their facilities in the interests of both the general public and racing industry participants.

It is the intent of the Corporation to carry out the recommendations made by the Working Committee, outlined in the Alberta Horse Racing Industry Review, to facilitate the initiative to implement the following number of future live race days Alberta-wide:

2002	2003	2004	2005	2006			
Standardbred	"A"	Track	111	111	130	135	140
Thoroughbred	"A"	Track	111	111	115	115	120
"B" Tracks			66	70	90	90	100

The *Racing Corporation Act*,<sup>1</sup> allows the Corporation to establish rules and require that race track operators be licensed.

The basic objectives of these *Race Track Licensing Rules* are to:

- facilitate strategic, long term business planning on the part of racing venues
- establish a review and approval process whereby interested parties are invited to submit proposals through a two-phase process permitting suitable applicants to formally apply and compete for race track licences in all market regions of Alberta
- improve, in part, racing industry accountability
- enable race track licensees to operate race tracks and contribute to the development of the overall racing industry.

In the second phase of the licensing application process, applicants are required to include information on their proposed racing operations, marketing strategies, operating budgets, capital maintenance, physical facilities, track size and development plans, and other pertinent information. Also, a part of the licensing procedure will be the requirement for race track operators to develop multi-year business plans for their overall racing operations so such business plans to readily identify the ways and means of stabilizing and improving the business and sport of horse racing in their region.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

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## PART 1

### APPLICATION, REQUIREMENT FOR LICENCES AND RACE TRACK CLASSIFICATION

#### 1 Application of these rules

(1) These \*rules apply to the licensing, suspension, revocation and reinstatement of licences for

- (a) persons who operate a race track,
- (b) persons who conduct horse races,
- (c) race tracks that operate \*Off Track Betting Theater's (OTB's),
- (d) race tracks that operate \*Telephone Account Betting (TAB) facilities, and
- (e) race tracks that operate a \*racing entertainment centre.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

(2) For the purposes of these rules, a minimum of a quorum of the \*Board of the \*Corporation are those class of persons who are empowered to decide all questions relating to those persons specified in subsection (1), including, without limitation, all matters relating to the issuing, suspension, revocation, reinstatement, sanctions, and penalties under the \*Act and these rules.

#### 2 Interpretation rules

- (1) The *Interpretation Act* applies to these rules.
- (2) Some words used in these rules are defined.
- (3) The defined words are collected in Schedule 1 to these rules. Most defined words are identified by an asterisk appearing at the start of the word.
- (4) Once a defined term has been asterisked, subsequent uses of the word in the same subsection are not usually asterisked.
- (5) The explanatory notes and footnotes in these rules are included to aid understanding and interpretation, but in the event of conflict between a note and a rule, the rule prevails.

#### 3 Required licences

- (1) A person shall not conduct a horse race meeting without a race track licence to do so.
- (2) In accordance with section 13 of the \*Act, a race track licence is required from the \*Corporation for a person to operate a race track, which includes:
  - (a) the conduct a horse race,

- (b) the operation of \*OTB's,
  - (c) the operation of \*TAB facilities, or
  - (d) the operation of a \*racing entertainment centre.  
[Amendment published in *Alberta Gazette* dated April 15, 2002]
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**Explanatory note:** "racing entertainment centre" is defined in the Dictionary of Definitions as

*racing entertainment centre* means a multi-functional facility for

- (a) live horse racing,
  - (b) gaming opportunities, licensed under the *Gaming and Liquor Act*,
  - (c) other entertainment,
- designed to maximize participation by the general public and identified consumer groups;
- 

#### *Classification of Race Tracks in Alberta*

#### **4 Alberta race track classification**

- (1) Race tracks are classified by the \*Corporation as:
    - (a) Class A tracks,
    - (b) Class B tracks, or
    - (c) Class C tracks.
  - (2) A Class A track is a race track
    - (a) on which live racing is conducted for a minimum of 100 days in a calendar year, the total number of days and the actual dates are applied for and determined by the Corporation on an annual basis, and
    - (b) in respect of which certain basic/minimum infrastructure (race track, site and grandstand) and racing operations requirements, identified in these rules, are met.
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**Explanatory note:** The racing operation requirements referred to in clause (c) include sections 5, 37-44, and 55-57 of these rules.

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- (3) A Class B track is a race track
  - (a) on which live racing is conducted to a maximum of 60 days and a minimum of 15 days in a calendar year, the total number of days and the actual dates are applied for and determined by the Corporation on an annual basis,

and

- (b) in respect of which certain basic/minimum infrastructure (race track, site and grandstand) and racing operations requirements, identified in these rules, are met.

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**Explanatory note:** The racing operation requirements referred to in clause (c) include sections 5, 37-44, and 55-57 of these rules.

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[Amendment published in *Alberta Gazette* dated April 15, 2002]

- (4) A Class B race track may request or be required by the Corporation to provide additional days of live racing. If after receipt of a request from a licensee the Corporation determines additional days to be in the best interests of the province and the racing industry, the Corporation shall grant the additional days.
- (5) A Class C track is a race track
  - (a) on which live racing is conducted for a maximum number of 15 days in the calendar year, the total number of days and the actual dates are applied for and determined by the Corporation on an annual basis,
  - (b) in respect of which certain basic/minimum infrastructure (race track, site and grandstand) and racing operations requirements, as identified in these rules, are met.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

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**Explanatory note:** The racing operation requirements referred to in clause (c) include sections 5, 37-44, and 55-57 of these rules.

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- (6) Repealed.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

- (7) For the purposes of this section live race dates are counted separately from the dates on which the licensed operator presents \*simulcast races; a race track may present simulcast races on dates as applied to and approved by the Corporation;

- (8) Repealed.

[Amendment published in *Alberta Gazette* dated April 30, 2002]

## PART 2

### DECISION MAKING BY THE CORPORATION

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**Statement of intention:** It is the intent of the Corporation in issuing race track licences to enable the market for pari-mutuel horse racing to mature and expand as warranted largely by consumer demand. It is the intent of the Corporation, in the best



interests of horse racing, to limit the number of race track licences to the number which the Corporation determines the Alberta market can support so as to encourage agriculture and the breeding of horses in this province; and, to hold race meetings in this Province of the highest quality.

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## 5 Criteria to be considered

- (1) In deciding whether to grant or refuse an application for a race track licence or designate the class of licence, the \*Corporation may consider the degree to which any of the following factors regarding the applicant's existing race track or proposed race track serve to nurture, promote, develop, or improve the racing industry in Alberta:
  - (i) the integrity of the applicant;
  - (ii) the applicant's financial stability and ability to develop, own and operate and continually upgrade a race track facility, or any of them;
  - (iii) the applicant's stated and potential ability to optimize the peak racing season and to generate pari-mutuel \*handle and other revenue;
  - (iv) the applicant's ability to successfully obtain a gaming licence;
  - (v) the applicant's willingness to provide twin thoroughbred and standardbred tracks at their facility, preference being given to an applicant who provides a one mile track, with an internal standardbred racetrack of a 7/8 mile;
  - (vi) the applicant's \*resources for supplementing the purses for races for various breeds;
  - (vii) the types, variety and proposed days of pari-mutuel horse racing which the applicant will offer and the applicant's plans related to the quality of the presentation of the racing product or products;
  - (viii) the applicant's willingness to facilitate live horse racing wagering at their facility;
  - (ix) the applicant's \*simulcast facilities and plans for exporting and importing race signals;
  - (x) the nature and extent of proposed special event programming and collateral entertainment/gaming activities;
  - (xi) the quality of physical improvements and equipment in the applicant's facility;
  - (xii) the condition of the applicant's facility or the status of any proposed capital improvements;
  - (xiii) the location and accessibility of the existing or proposed race track;
  - (xiv) the effect of the existing or proposed race track on traffic flow in the vicinity of the track;
  - (xv) facilities for patrons and \*occupational licensees;
  - (xvi) the applicant's stated desire and ability to market and operate horse racing in it's area;
  - (xvii) the applicant's stated willingness to align with overall provincial marketing plans and strategies;

- (xviii) the applicant's stated willingness and ability to acquire corporate sponsorships which primarily benefit horse racing;
  - (xix) whether or not the applicant has chosen to incorporate a \*racing entertainment centre into their facilities;
  - (xx) the scale and magnitude of any racing entertainment centre and the projected revenue to be derived for racing industry renewal and their projected utilization;
  - (xxi) the capabilities, functionality and capacity of the applicant's grandstand;
  - (xxii) the suitability of the race track area for race viewing and broadcasting;
  - (xxiii) the desire and ability of the applicant to provide the highest quality of horse racing signals for rebroadcast purposes;
  - (xxiv) facilities for racehorses and racing participants, for example, track, all weather barns area, the ability to remove the inside hub rail, parking areas for trailers, grooms, quarters, and stalls;
  - (xxv) availability of support services and emergency services to the race track;
  - (xxvi) the extent to which the safety of the public, employees and horses are addressed by the applicant;
  - (xxvii) the managerial ability and experience of the applicant;
  - (xxviii) the potential for conflict with other \*licensed race meetings;
  - (xxxix) the applicant's stated desire and ability to consult and work with a racetrack operations committee consisting of various \*recognized Alberta horsemen's associations;
  - (xxx) the projected effect of race meetings on the horse breeding industry in Alberta;
  - (xxxix) the projected effect of the race meeting on the provincial and local economy from tourism, increased employment, and other sources;
  - (xxxii) the status of any licence, permit, approval or other governmental requirement to be obtained by the applicant;
  - (xxxiii) the stated and desired efforts to promote orderly growth of horse racing in Alberta and educate the public with respect to horse racing and pari-mutuel wagering;
  - (xxxiv) the impact of the facility including its impact on the provincial, regional and local economies;
  - (xxxv) the extent of public support and opposition;
  - (xxxvi) the effects on non-racing competition;
  - (xxxvii) the applicant's compliance with the applicable enactments and government directives.
- (2) The Corporation may request any or all applicants to make a presentation on their application before the \*Board or a Board Committee.

- (3) The Corporation need not issue a race track licence unless the applicant provides security in a manner and in an amount determined by the Corporation to ensure the applicant complies with the \*Act, the Corporation's rules, and the conditions of the licence.<sup>2</sup>
- (4) The Corporation is also to base its final decision on the extent to which the applicant
  - (a) conforms to the Act;
  - (b) conforms with these Rules;
  - (c) addresses and will advance the general intention expressed by the Statement of Objectives;
  - (d) conforms with licensing requirements under the *Gaming and Liquor Act*.
- (5) The successful applicant must demonstrate to the satisfaction of the Corporation a strong emphasis on customer service and appreciation and a demonstrated willingness to continually upgrade their facilities in the interests of both the general public and racing industry participants.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

## **6 Competing applications**

If the \*Corporation receives more than one application for any class of race track licence for a similar geographical area, the Corporation may:

- (a) require further information of the applicants;
- (b) refuse to grant a licence to any of the applicants;
- (c) only grant the licence to the applicant which, in the opinion of the Corporation, will be in the best interest of racing and the public; or
- (d) grant more than one licence with the same or different designated class of licence.

## **7 Reasons for decision**

In granting or refusing an application for a race track licence the \*Corporation shall state reasons for its decision.

## **8 Issue of licences**

- (1) The \*Corporation may issue a race track licence to a qualified applicant if it finds that the conduct of race meetings at the proposed track and location will be in the public interest, and complies with all applicable laws and the rules and directives of the Corporation.
- (2) A licence will not be issued unless the applicant agrees in writing to adhere to these rules and any other terms and conditions of licence that may be required by the Corporation but not included in these rules.

(3) The licence authorizes the holder of it in accordance with the licence to:

- (a) operate a race track,
- (b) conduct horse races,
- (c) conduct \*OTB,
- (d) conduct \*TAB, or
- (e) operate a racing entertainment centre,

or all of the above, in accordance with the terms of the licence and the Corporation's rules.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

## **9 Term of licence**

- (1) The term of a race track licence shall be for up to a maximum of 10 years, or such longer period as in the opinion of the \*Corporation is in the best interests of racing in Alberta or is required to nurture, promote, develop or improve the racing industry in Alberta. The terms will be specified by the Corporation and displayed on the licence.
- (2) All multi-year licences shall be reviewed by the Corporation on an annual basis to determine if the information that was presented in the original licence application or subsequent licence renewal or annual reviewal documentation is consistent and accurate.
- (3) All multi-year licensee's must, on an annual basis, provide the Corporation with updates to the information submitted in their initial licence application especially as it relates to the sections on finance, ownership and operations and marketing. All multi-year licensee's must at a minimum provide the Corporation, on a annual basis, with
  - (a) the information required under sections 12, 19 (7), 48, 49, 50, 55, and 61 of these rules, and
  - (b) the actual numbers broken out as required in those sections for the year just completed.
- (4) The Corporation may grant any organization a conditional or temporary race track licence, including the possible requirement of a performance bond, for any length of time up to 3 years, if the Corporation, at its sole discretion, deems that by so doing would be in the best interests of the Alberta racing industry.
- (5) The Corporation may grant a \*protected market area in a geographical area to a licensee for up to and including the total period of time that the licensee is licensed by the Corporation.
- (6) Beyond the initial licence application fee, the Corporation may impose an annual fee on the licence holder.<sup>3</sup>

## **10 Cancellation, suspension, cancellation on dispossession, and transferability of licence**

- (1) If the licensee
  - (a) makes any assignment for the benefit of creditors,
  - (b) commits an act of bankruptcy,

- (c) becomes insolvent,
- (d) has a receiver appointed,
- (e) takes the benefit of any legislation that may be in force for bankrupt or insolvent debtors,
- (f) commits a substantial breach of these rules, or
- (g) fails to remedy any lesser breach for which notice to remedy has been given,

the \*Corporation may suspend or cancel the licence.

(2) In the event of a breach of these rules, the Corporation may give notice that the licensee is in default.

(3) For greater particularity, a breach of these rules includes:

- (a) violating the \*Act, these rules or any other rules of the Corporation;
- (b) violating a condition of the licence;
- (c) violating a direction of the Corporation;
- (d) making a false or misleading statement in an application for a licence (other than a forecast for which there is reasonable justification);
- (e) engaging in conduct that, in the opinion of the Corporation, is prejudicial to the best interests of horse racing;
- (f) violating any law<sup>4</sup> which would be a substantial breach of the conditions under which a licence is granted;
- (g) not meeting \*Canadian Pari-Mutuel Agency permit requirements.

(4) In the event that a default notice is given, the licensee shall have the period of time allotted in the notice (such period to be no longer than 30 days), to remedy the default, failing which the Corporation may:

- (a) impose a fine, to a maximum of \$100,000, or other penalty, upon the licensee;
- (b) suspend the licence for such time as the Corporation deems fit, including an allotted time in which to remedy the default;
- (c) cancel the licence.

(5) In the event of insolvency, bankruptcy, an assignment for the benefit of creditors or receivership of the licensee, the Corporation may, at its discretion,

- (a) continue the licence in the name of the trustee or receiver, as the case may be, subject to such terms as the Corporation may impose, upon application of the trustee or receiver, or
- (b) suspend or cancel the licence.

- (6) A licence may not be sold or transferred directly or indirectly without the consent in writing of the Corporation. In the event that a licensee proposes to sell or transfer a licence, directly or indirectly, the proposed purchaser or transferee, shall make application for approval to the Corporation in the same format as is required for a licence in the first instance.

## **11 Reinstatement**

The \*Corporation may, in its discretion, reinstate a race track licence that has been suspended or revoked.

## **12 Financial disclosure**

- (1) Each holder of a race track licence must annually file with the \*Corporation a detailed financial statement that:
  - (a) contains a detailed balance sheet, the results of horse racing operations for the year, change in financial position for the year and details of capital expenditures for the year;
  - (b) contains the names and addresses of all shareholders, members and owners of any interest in the race track facility, capital development or operation;
  - (c) indicates compliance during the filing period with the Corporation's rules;
  - (d) includes any other information required by the Corporation.
- (2) Each transaction that involves a major acquisition or transfer of a pecuniary interest in the licence holder must receive prior approval from the Corporation.
- (3) A transaction that changes the ownership of the licence holder requires submission of updated information of the type required to be disclosed under these rules.
- (4) Each holder of a race track licence must annually provide an operating budget for the forth coming year.

## **13 Racing restricted to designated place**

- (1) The holder of a race track licence may not conduct live horse racing at any place other than the place designated in the licence, except as provided by subsection (2).

- (2) If a race track becomes unsuitable for racing because of fire, flood, or other catastrophe, the licence holder, with the prior approval of the \*Corporation, may conduct a race meeting or any remaining portion of a meeting temporarily at any other race track licensed by the Corporation to conduct the same type of racing as may be conducted by the licence holder, if the licensee of the other race track also consents to that use.

#### **14 Posting of licence**

A race track licensee must post in a prominent place in the licensed facility:

- (a) the race track licence; and
- (b) any document or information that the \*Corporation requires to be posted.

### **PART 3**

#### **APPLICATION FOR A RACE TRACK LICENCE**

##### **Division 1**

##### **Application**

#### **15 Eligible applicants**

To be eligible to be issued a licence to operate a race track the applicant must:

- (a) be a duly incorporated body by or pursuant to an \*Act of Parliament or of the Legislature of the Province of Alberta,<sup>5</sup>
- (b) own or lease a race-course or have a proven intention to do so,
- (c) conduct live or \*simulcast or proposes to conduct live or simulcast horse races in the ordinary course of its business,
- (d) to the extent that applicable legislation requires that the purposes of the applicant's organization or association be expressly stated in its constating instrument, having as one of its purposes the conduct of live or the simulcast of horse races, and
- (e) be able to meet all requirements stipulated by the \*Canadian Pari-Mutuel Agency for the issuance of a federal permit to conduct horse racing in accordance with the *Criminal Code* \*Pari-Mutuel Betting Supervision Regulations.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

#### **16 Phase 1 Invitation for licence applications**

- (1) From time to time, the \*Corporation may designate an application period during which time the Corporation will accept applications for race track licences.

- (2) This process consists of two phases:
  - (a) the first phase is a request for proposal process when an expression of interest will be requested of any interested and eligible applicants in which
    - (i) applicants in this phase will be asked for a detailed but general plan for their facility, and
    - (ii) the expression of interest will be left to the applicant's discretion as to content.
  - (b) a second phase for a detailed application described in section 17.
- (3) The Corporation may specify the class and general geographic area of the race track or facility for which it will consider applications.
- (4) The Corporation will determine from the Phase 1 applicants which one or more applicants make proposals that, in the opinion of the Corporation, are most congruent with the Statement of Objectives and are most likely to advance the horse racing industry in Alberta, and so should be invited to apply under Phase 2 of the application process.
- (5) The Corporation must notify all Phase 1 applicants no later than 30 days following the last day of the Phase 1 application period, about whether or not they have been selected to proceed to Phase 2 of the application process.
- (6) All applicants selected from Phase 1 must provide detailed application information, as required by these rules, within 45 days following their being requested by the Corporation to do so.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

## **17 Phase 2 , detailed application**

- (1) Each successful phase 1 applicant wishing to submit a detailed application for a race track licence must pay the application fee specified in Schedule 2, and submit an application in the prescribed form, containing the information required by these rules.

[Amendment published in *Alberta Gazette* dated April 15, 2002]
- (2) The application must state:
  - (a) details of where and how the applicant was incorporated;
  - (b) the names and addresses of the applicant's agents for service of documents;
  - (c) the names and addresses of its officers and directors and, for each individual named under this clause, the individual's date of birth, current address and telephone number, and a statement disclosing any conviction of an indictable criminal offence or any other offence that would adversely impact on the suitability of such individual to be part of a licensee authorized to hold horse races,
  - (d) the names and addresses of its shareholders and, for each individual named under this clause, the individual's date of birth, current address and telephone number, and a statement disclosing any conviction of a criminal offence; and



- (e) the beneficial owners of shares in the applicant that hold voting rights, absolute or contingent, any other person that directly or indirectly exercises any participation in the applicant, and any other ownership interest in the applicant that the applicant, making its best effort, is able to identify.
- (3) The application under this section must also include:
- (a) the exact location at which a race meeting is to be conducted;
  - (b) if the racing facility is in existence, whether it is owned by the applicant and, if leased to the applicant, the name and address of the owner and, if the owner is a corporation or unincorporated business association, the names and addresses of its officers and directors, its shareholders and members, if any, and its agents for service of documents;
  - (c) if construction of the racing facility has not been initiated, whether it is to be owned by the applicant and, if it is to be leased to the applicant, the name and address of the prospective owner and, if the owner is a corporation or unincorporated business association,
    - (i) the names and addresses of its officers and directors,
    - (ii) the names and addresses of its shareholders,
    - (iii) the names and addresses of its members, if any, and
    - (iv) the names and addresses of its agents for service of documents;
  - (d) identification of any other beneficial owner of shares that hold voting rights, absolute or contingent, in the owner or prospective owner of the racing facility, or any other person that directly or indirectly exercises any participation in the owner or prospective owner and all other ownership interest in the owner or prospective owner that the applicant making its best effort is able to identify;
  - (e) a detailed statement of the assets and liabilities of the applicant;
  - (f) the kind of racing to be conducted and the number of race dates to be requested;
  - (g) a listing of each lease, management, concession, and totalizator contract dealing with the licence or proposed licence at the location or proposed location in which the applicant has an interest for inspection and review by the \*Corporation;
  - (h) the prior approval of the Corporation for any totalizator contract;
  - (i) an agreement by the applicant that any decision made by the Corporation with respect to their licence application is considered to be final; and
  - (j) any other information implied by these rules or required by the Corporation.
- (4) If the applicant is a non-profit corporation, only directors and officers of the corporation must disclose the information required under subsection (2).

- (5) The burden of proof is on the applicant to show compliance with the \*Act and with the rules and directives of the Corporation.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

## **Division 2**

### **Phase 2 Detailed Application Documents**

#### ***Process and General Requirements***

[Amendment published in *Alberta Gazette* dated April 15, 2002]

#### **18 Application documents**

- (1) An applicant for a licence to operate a race track must submit application documents in accordance with this section.
- (2) The applicant must submit an original and 5 copies of the documents to the \*Corporation.
- (3) The applicant must provide a statutory declaration as to the truth and validity of the documents.
- (4) The applicant must state the name, address, and telephone number of an individual designated by the applicant to be the primary contact person for the Corporation during the application process.
- (5) The applicant must submit all application documents not later than 5:00 p.m. mountain standard time on the last day of the application period.

#### **19 Types of documents required**

- (1) An applicant for a Class C race track licence must submit the documents required by this Division concerning:
  - (a) background information;
  - (b) ownership;
  - (c) site and facilities,
    - (i) on track;
    - (ii) \*off track (if applicable);
  - (d) safety and security; and
  - (e) a general business plan with a specific marketing component.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

- (2) In addition to documents required under subsection (1), an applicant for a Class B race track licence must submit the documents required by this Division concerning:
  - (a) financing; and
  - (b) operations and marketing.

- (3) An applicant for a Class A licence must submit all the documents required by this Division.
- (4) An applicant for a race track licence must submit the application documents in typewritten form:
  - (a) on 8 ½ by 11 inch paper;
  - (b) have an executive summary;
  - (c) be broken out by the appropriate chapter, and the section, subsection, and Division designation of the rule that requires the submission of a document must be noted at the top of each page of the document; and
  - (d) provide photographs of any three-dimensional exhibits.
- (5) The application should contain a table of contents and dividers to clearly designate the various sections covered in the application and the documents within the application must be consecutively paginated.
- (6) The executive summary should contain the highlights of the entire application and should include a table which contains information regarding the ownership, residency, and contributions of each officer, director, partner, or owner of an interest of 10% or more in the application submitted in the format specified in Schedule 3 to these rules.
- (7) The executive summary must include a table containing an attendance and wagering summary of information submitted in the financial forecasts. The table must be submitted in the format specified in Schedule 3 to these rules.

## **20 Review of application documents**

- (1) Not later than the 15th day after the last day of the identified detailed application period, the \*Corporation must review each application submitted to determine whether the application contains all the information required by these rules.

[Amendment published in *Alberta Gazette* dated April 15, 2002]
- (2) If the Corporation determines that the application does not contain all the information required by these rules, the Corporation must notify the applicant in writing and state the nature of the deficiency in the application.
- (3) The applicant must submit the documents necessary to complete the application before the 30th day after the last day of the identified detailed application period.

[Amendment published in *Alberta Gazette* dated April 15, 2002]
- (4) If the applicant fails to submit the requested documents in a timely manner, the Corporation may not certify the application as received and the Corporation may not consider the application.
- (5) When the Corporation determines that an application contains all the information required by these rules the Corporation must certify in writing that the application is received by the Corporation.
- (6) The Corporation must transmit a copy of the certification to the applicant.

## **21 Changes in application**

- (1) If information submitted by an applicant as part of a race track application changes or becomes inaccurate before the \*Corporation acts on the application, the applicant must immediately notify the Corporation in writing of the change or inaccuracy.
- (2) After a race track application has been filed, the applicant may not amend the application except:
  - (a) to address a deficiency in accordance with a notice sent to it,
  - (b) as required by the Corporation for clarification of information contained in the application, or
  - (c) to address a change in the circumstances surrounding the application that was outside the control of the applicant and that affects the ability of the applicant to comply with the \*Act or the rules of the Corporation.
- (3) To amend an application under subsection (2)(c), an applicant must file with the Corporation a written request to amend the application stating:
  - (a) the change in the circumstances surrounding the application that necessitates the amendment;
  - (b) the nature of the amendment; and
  - (c) the reasons why the amendment is necessary to bring the application into compliance with the \*Act or the rules of the Corporation.
- (4) A request to amend may only be granted if the applicant demonstrates that:
  - (a) the circumstances requiring the amendment were outside the control of the applicant;
  - (b) before the change in the circumstances surrounding the application, the application complied with the pertinent provisions of the \*Act or the rules of the Corporation; and
  - (c) the amendment is necessary to bring the application into compliance with the pertinent provisions of the Act or the rules of the Corporation.

## **22 Exemptions from rules**

- (1) An applicant may request an exemption from a requirement in this Division in accordance with this section.
- (2) In acting on a request for an exemption under this section, the \*Corporation may require the applicant to:
  - (a) state, in writing, the applicant's reason for the request; and
  - (b) propose an alternative that substantially satisfies the purpose of the requirement.
- (3) The Corporation may grant an exemption under this section if the Corporation determines:
  - (a) the applicant's alternative proposal substantially satisfies the purpose of the requirement; or

- (b) the Corporation determines the exemption is in the best interests of the racing industry in Alberta.
- (4) Unless the Corporation otherwise requires, an applicant that is an agricultural society under the *Agricultural Societies Act* is exempt from the application requirements of these rules related to ownership and membership.
- [Amendment published in *Alberta Gazette* dated April 15, 2002]

### ***Ownership***

#### **23 Ownership S name and address**

The application documents must include:

- (a) a list of all legal/registered or trade names used by the applicant, and
- (b) the names of the registered agent and the address and telephone number of the registered office of the applicant for service of process.

#### **24 Ownership S business structure**

The application documents must describe the applicant's business structure and include an organizational chart.

#### **25 Ownership S organizers**

If the applicant is not an individual and was organized less than 5 years before the date on which the application documents are submitted to the \*Corporation, the application documents must state:

- (a) the name of each individual who was a paid organizer or promoter of the applicant,
- (b) the nature and amount of assets, services, or other consideration contributed to the applicant by an organizer or promoter of the applicant, and
- (c) the nature and amount of anything of value given by the applicant to an organizer or promoter of the applicant.

#### **26 Ownership S organizational documents**

The application documents must include:

- (a) a statement of which \*Act the applicant was incorporated under and when the applicant was incorporated,
- (b) a copy of the articles of incorporation and by-laws of the applicant,
- (c) a statement and documentation of whether the applicant has been reorganized or reincorporated during the 5 year period preceding the date on which the application documents are submitted to the \*Corporation, and
- (d) a statement and documentation of whether the applicant has filed restated articles of incorporation.

## 27 Ownership S owners

- (1) If the applicant is authorized to issue capital stock, the applicant must state the classes of stock authorized and the total number of shares of each class authorized. The applicant must state, for each class of stock:
  - (a) the par value, if any,
  - (b) the voting rights,
  - (c) the current rate of dividend, and
  - (d) the number of shares outstanding and the number of shares that are authorized to be issued.
- (2) The application documents must identify:
  - (a) each beneficial owner of shares in the applicant that bear voting rights, absolute or contingent,
  - (b) each person that directly or indirectly exercises any participation in the applicant, and
  - (c) any other ownership interest in the applicant that the applicant making its best effort is able to identify.
- (3) The application documents must include a certified copy of each voting trust or voting agreement in which capital stock is held and must state:
  - (a) the name and address of each stockholder participating in the trust or agreement,
  - (b) the class of stock involved, and
  - (c) the total number of shares held by the trust or agreement.
- (4) The application documents must describe the terms of any proxy by which capital stock may be voted and must state:
  - (a) the name and address of the person holding the proxy,
  - (b) the name and address of the stockholder who granted the proxy,
  - (c) the class of stock for which the proxy may vote, and
  - (d) the total number of shares voted by the proxy.
- (5) The application documents must state any provisions for the redemption, repurchase, retirement, conversion, or exchange of an ownership interest. The documents must state the procedure by which these provisions may be modified.
- (6) The application documents must state whether the applicant's stock may be traded through options and whether a stockholder has executed an agreement or contract to convey any of the stockholder's stock at a future date. The application documents must include a copy or a description of each agreement or contract disclosed under this subsection.

## **28 Ownership S directors, officers, and partners**

- (1) If the applicant is not an individual, the application documents must include a list of the individuals who are serving or who are designated to serve, during the first year after the date the application documents are submitted to the \*Corporation, as a director, officer, partner, or member of the management committee of the applicant. In the event that such individuals are engaged in such a capacity thereafter, such applicant shall file annually on the anniversary date of application, updated information on such individuals.
- (2) The list must state, for each individual listed under subsection (1)
  - (a) the individual's name and address,
  - (b) each position or office of the applicant held by the individual,
  - (c) the individual's principal occupation during the 5 year period preceding the date on which the application documents are submitted to the Corporation, and
  - (d) the nature and the extent of any ownership interest that the individual has in the applicant.

## **29 Ownership S controlling entity**

- (1) The application documents must state whether another entity exercises or is in a position to exercise control in the management or financial affairs of the applicant. The documents must describe the nature of the relationship between the entity and the applicant and the extent of control exercised by the entity.
- (2) If a non-individual entity owns an interest of 10 percent or more in the applicant, the application documents must include the information required by subsection (1) of this section as it relates to the non-individual entity.
- (3) The application documents must include information required by subsection (2) of this section for each non-individual entity identified in the application documents to the extent necessary to determine the identity of each individual who is an indirect holder of an ownership interest in the applicant.

## **30 Ownership S outside interests**

- (1) The application documents must state whether the applicant, a director, officer, or partner of the applicant, or an owner of an interest in the applicant of 10 percent or more:
  - (a) has ever held an ownership interest in a licensee of the \*Corporation, or
  - (b) is currently engaged in the business of horse racing or gaming in another jurisdiction.
- (2) The applicant must describe the nature of participation stated under subsection (1).

## **31 Consultants**

The application documents must include a list of all paid consultants used by the applicant in the development of the application.

### **32 Background check**

- (1) The \*Corporation may undertake a complete personal, financial, criminal and business background check of the applicant or any person owning an interest in or exercising control over a applicant for a race track licence, including directors, the partners, shareholders, concessionaires, management personnel, management firms, and creditors.
- (2) The application documents must include a statement that irrevocably gives consent to the Corporation and to persons authorized by the Corporation:
  - (a) to verify all information provided in the application documents; and
  - (b) to conduct background investigations on the applicant and the applicant's employees.
- (3) If the applicant is not an individual, each individual who provides information under section 17 (relating to personal information) must execute a statement required by subsection (2).
- (4) An applicant may not pass a background check if any person listed under subsection (1)
  - (a) has within the 5 years before the submission of the application been convicted of:
    - (i) an indictable offence under the *Criminal Code* (Canada), the *Excise Act* (Canada), the *Food and Drug Act* (Canada) or the *Narcotic Control Act* (Canada), or
    - (ii) an offence under another \*Act or regulation, whether foreign or not that, in the Corporation's opinion, is substantially similar to an offence referred to in sub clause (I), or
  - (b) has within the 5 years before the submission of the application been sentenced to serve a term of imprisonment of 3 years or more.
- (5) The Corporation may refuse to issue, renew, or revoke a licence or approve a concession or management contract if, in the sole discretion of the Corporation, the background checks reveal anything which might be detrimental to the public interest or the racing industry.

#### ***Site and Facilities***

### **33 Location**

The application documents must include:

- (a) the name of the municipality in which the race track (or \*OTB or \*TAB facilities, if applicable) is or is to be located;
- (b) the actual legal description of the race track site;
- (c) the name and address of each person who has held title to the real property;
- (d) the name and address of each person who holds a mortgage or other security interest in the real property;



- (e) an aerial photograph of the race track site;
- (f) a photograph of the site from each roadway adjacent to the site; and
- (g) a description of the current commercial and industrial uses for all property within a ½ mile area around the race track site.

### **34 Lease**

- (1) If an applicant for a race track licence leases or intends to lease the race track (or \*OTB or \*TAB facility S if applicable) or race track property from another person, the application documents must include the information required by this section as it relates to the lessor and the lessee.
- (2) The application documents must include a copy of the lease agreement and every other agreement or contract between the lessor and lessee.
- (3) The \*Corporation may not grant a licence to a person applying under this section if the Corporation determines that:
  - (a) the lessor would not be qualified to be issued a licence;
  - (b) the lease is a subterfuge to avoid compliance with the \*Act or a rule of the Corporation; or
  - (c) the lease is of insufficient length to ensure stability of operations.

### **35 Improvements**

- (1) The application documents must describe the applicable zoning designation for the race track site (or \*OTB or \*TAB facility) and any special use permits required for the race track site.
- (2) The application documents must provide a capital development/upgrading schedule (if applicable).
- (3) In addition, the applicant must provide copies of the above permits or the documents must describe the procedure by which the applicant must obtain the permit, all conditions likely to be placed on the permit, and the estimated date on which the applicant will obtain the permit.

### **36 Architect's plan**

- (1) This section applies to new race tracks or current race tracks with significant proposed facility upgrades.
- (2) The application documents must include layout drawings of the race track facility which show the race track or the proposed race track including drawings of sufficient detail to illustrate the facilities and equipment specified under sections 37-39.
- (3) The drawings must be drawn to scale and must show the measurements of all areas, including barns and stalls.
- (4) For a new race track, the application documents must include a description of the experience of the architect who designed the proposed facility and a statement of the number of race tracks the architect has visited and designed.

### **37 Track dimensions**

- (1) The application documents must state the dimensions and specifications of each track to be provided on the applicants' grounds, including:
  - (a) the total length;
  - (b) the width;
  - (c) the banking, with a description of the method of transition into and out of turns;
  - (d) the radius of each turn and the length of each stretch and chute;
  - (e) the type of inside and outside rail (including materials used);
  - (f) the composition and depth of the base, subsurface, and cushion of the track with a schematic drawing of the racing surface;
  - (g) the drainage system for the racing surface;
  - (h) the location and design of the video towers;
  - (i) the location and design of TV camera placement and sound towers;
  - (j) the location and method of closing gaps in the rail;
  - (k) the location and design of the tote board;
  - (l) the location of lighting for the race track;
  - (m) the type of turf for a turf race track; and
  - (n) the method by which the track will be winterized.
- (2) The application documents must describe the racing surface maintenance plan for all seasons and the necessary maintenance equipment, including equipment to water and care for the race track.
- (3) The application must provide the information required by this section in sufficient detail to demonstrate the applicant's ability to operate and maintain a race track.

### **38 Public areas**

- (1) The application documents must state the specifications for areas of the race track site (and off site areas if applicable) to which the public will have access and include a description of the configuration and location of:
  - (a) the grandstand (external site and internal area);
  - (b) the total number of seats, broken down to designate the indoor and outdoor seats and the reserved and non-

- reserved seats;
  - (c) television monitors available for viewing by patrons;
  - (d) the pari-mutuel facility;
  - (e) the concession areas;
  - (f) the restrooms;
  - (g) parking;
  - (h) special clubs or other facilities for certain patrons, owners, horsemen;
  - (i) other features or adjoins that are non-racing in nature;
  - (j) the smoking and non-smoking areas;
  - (k) the turnstiles or the method for counting patrons;
  - (l) the fencing around the grandstand;
  - (m) any plans for green space landscaping or around the race track site; and
  - (n) details on any proposed use of the infield area.
- (2) The application documents must describe the applicant's plans for maintaining and cleaning the public areas of the race track.
- (3) The applications documents must provide the information required by this section in sufficient detail to demonstrate the applicant's ability to operate and maintain its public areas.
- (4) The application documents must state the maximum capacity of the facilities, and include the area or areas in square feet of the grandstand makeup.

### **39 Facilities for animals and personnel**

- (1) The application documents must describe:
- (a) the facilities for housing horses, both on site and off site auxiliary facilities, for example, all weather barns with sufficient stalls for the horse supply as well as appropriate ventilation, tack room, hot walking area, lighting, and other beneficial facilities;
  - (b) the facilities for housing personnel, for example, the nature and type of accommodation;
  - (c) the facilities for obtaining specimens for testing animals and humans for drugs;
  - (d) the pre-race holding area and paddock;
  - (e) the facilities for owners, trainers, and other race track personnel;

- (f) the lounge area and other recreational facilities for race track personnel;
- (g) the smoking and non-smoking areas;
- (h) the facilities for jockeys and drivers (male and female);
- (i) the stand for the racing judges or stewards and the office and work areas for representatives of the \*Corporation;
- (j) the facilities for the Race Secretary and the Horsemen's Bookkeeper;
- (k) the size and composition of the planned path for horses from the stable to the pre-race holding area, paddock, race track, and test barn;
- (l) the areas and equipment in and around the stable area where horses may be cooled out or leisurely exercised, such as gallops, grass paddocks, pastures, wood chip trails, or electric walkers;
- (m) the barn and stable area and its ventilation system;
- (n) the process for waste removal;
- (o) equine care facilities;
- (p) child care facilities for the patrons or the licensees, if provided.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

- (2) The application documents must describe the applicant's plans for maintaining and cleaning the facilities that are provided for animals and personnel.
- (3) The application documents must provide the information required by this section in sufficient detail to demonstrate the applicant's ability to operate and maintain the facilities for animals and personnel.

#### **40 Racing equipment**

- (1) The application documents must describe the equipment used or to be used in conducting races, including the starting gate or car and the timing, photo finish, track maintenance, and videotape equipment.
- (2) The application documents must describe the equipment used or to be used in conducting races in sufficient detail to show compliance with the \*CPMA permit requirements and any additional requirements under the \*Corporation rules.

### *Safety and Security*

#### **41 Safety, security and first aid documents**

The application documents must include detailed plans that provide for the safety, security and first aid of the patrons, the racehorses, licensees and race track personnel.

#### **42 Animal health and safety**

- (1) The application document must describe the methods the applicant currently or proposes to use to minimize the risk of injury or breakdown to race horses and provide the best conditions for their safety and health.
- (2) The application documents should describe the applicant's plans (if any) for alleviating stress in racehorses.
- (3) The application documents should describe the applicant's plans (if any) for enhancing sports medicine research in Alberta through the reporting and review of data on injuries and accidents in racehorses.
- (4) The application documents should describe the applicant's public relations strategy and plans for dealing with public concerns relating to the humane treatment of racehorses at their facility.

#### **43 Security for facilities**

- (1) The safety and security plans must describe the security equipment, such as fences, locks, alarms, and monitoring equipment, for the race track facilities, including:
  - (a) the perimeter;
  - (b) the stables;
  - (c) the paddock;
  - (d) the pre-race holding area and test barn; and
  - (e) the parking lot.
- (2) The plans must describe the security procedures to be used:
  - (a) to admit individuals to restricted areas of the race track; and
  - (b) to expel and exclude an individual from the race track.

#### **44 Security personnel**

The safety and security plans must describe the security personnel at the race track.

### *Financing*

#### **45 Financial information**

- (1) The application documents must include audited financial statements for the applicant for each of the 3 fiscal years preceding the date of the application (where applicable).
- (2) If the applicant has been organized less than 3 years, the application documents must include the audited financial statements for each fiscal year that the applicant has been organized.

- (3) The application documents must include a business plan for the applicant.

#### **46 Loans**

- (1) The application documents must disclose details of any loan made by the applicant that exceeds 1% of the applicant's net income for the year in which the loan was made.
- (2) The document must:
  - (a) state the name and address of the borrower;
  - (b) state the amount of the loan;
  - (c) describe the terms of repayment of the loan; and
  - (d) include a copy of each document executed with respect to the loan.

#### **47 Debt**

- (1) The application documents must describe any lien that encumbers 1% or more of the applicant's assets or 1% or more of the assets of a person with an ownership interest in the applicant of 25% or more.
- (2) For each lien, the documents must:
  - (a) state the name and address of the lender or secured party;
  - (b) state the amount of the indebtedness;
  - (c) describe the terms of the lien; and
  - (d) include a copy of each document executed with respect to the lien.

#### **48 Budget**

- (1) This section applies to new race tracks or current race tracks with significant proposed facility upgrades.
- (2) The application documents must describe the costs of construction or capital improvement of the race track facilities.
- (3) The documents must state whether each item is an actual cost or a projection, and must include costs of:
  - (a) architectural and engineering services;
  - (b) land acquisition;
  - (c) site development;
  - (d) facility construction;
  - (e) equipment acquisition;

- (f) capitalized interest;
  - (g) loan placement fees and other guarantee fees;
  - (h) any other financing costs relating to construction;
  - (i) administrative services relating to construction;
  - (j) legal services relating to construction; and
  - (k) other areas relating to construction, providing details of any costs exceeding 5% of the total cost of construction.
- (4) For new race tracks the application documents must describe the costs of operating the race track before the first day of racing, including the costs of:
- (a) marketing (including advertising and promotion);
  - (b) application development;
  - (c) application fees;
  - (d) licensing fees;
  - (e) management, administrative, and other salaries;
  - (f) interest and other financing costs not relating to construction; and
  - (g) other areas relating to operations, providing details of any costs exceeding 5% of the total costs.

#### **49 Funding**

- (1) This section applies to new race tracks or current race tracks with significant proposed facility upgrades.
- (2) The application documents must state each source of funds for the operation or construction, or both, of capital improvements of the race track.
- (3) The documents must state:
  - (a) each source of equity contribution, the amount of contribution, and the terms of any commitment from that source;
  - (b) each source of debt contribution, the amount of the contribution, and the terms of any commitment from that source; and
  - (c) the basis for valuing non-cash contributions.
- (4) The application documents must include documents from which the \*Corporation can conclude that financing for the race track is reasonably assured for the period that the race track will be licensed.
- (5) The application documents must describe alternate sources of funds for unexpected occurrences, such as cost overruns,

non-receipt of equity or debt funds, or overestimated revenues.

- (6) For new race tracks, the application documents must state the amount of working capital the applicant intends to have available for the first six weeks of race track operations, including funds for the payment of expenses for officials and purses.
- (7) The application documents must state any special financing circumstance.

## **50 Financial projections**

- (1) The application documents must include financial projections regarding the operation of the race track and pari-mutuel wagering for each of the subsequent 5 years of racing operations following the granting of a race track licence.
- (2) The financial projections must include forecasts of revenues and expenses and changes in capital accounts and cash flows.
- (3) The application documents must include a projected balance sheet to document the financial forecasts for each year for which financial projections are made.
- (4) The projected balance sheet must state the assets, liabilities, and amount of capital of the applicant, based on variables such as:
  - (a) average daily attendance;
  - (b) average daily \*handle;
  - (c) average per capita wager;
  - (d) average number of admissions, including ticket price and free admission;
  - (e) the proposed shares for the applicant and the horsemen from the pari-mutuel handle;
  - (f) the proposed shares for the applicant and the horsemen from revenue generated on site per other activities that are not necessarily horse racing, for example, by sponsorships;
  - (g) purse schedules;
  - (h) uncashed ticket revenue;
  - (i) payroll (including management);
  - (j) taxes;
  - (k) cost of interest;
  - (l) cost of insurance, legal, and accounting services;
  - (m) cost of operating supplies and services;
  - (n) cost of utilities;



- (o) cost of maintenance and repairs;
  - (p) cost of totalizator services and pari-mutuel operations;
  - (q) marketing expenses (including advertising and promotion);
  - (r) travel expenses; and
  - (s) equipment depreciation.
- (5) The financial projections must be presented in accordance with generally accepted accounting principles.
- (6) For new race tracks, the application documents must describe the criteria that were used to select the comparable race tracks for purposes of determining the information supplied in subsection (3).
- (7) The application documents must include a projection of break-even operations prepared on the basis of cash flow from operations after debt service prepared by using the same number of race days, per capita \*handle, and other assumptions used in the financial projections and must express break-even in terms of handle or attendance per race day, or both.

#### **51 Out-of-province distributions**

The application documents must state the amount of money that will be paid by the applicant, during each of the subsequent 5 years of licensed operation, to entities located outside Alberta as:

- (a) payments or profit or other distributions to investors residing outside of Alberta;
- (b) interest on debt with lenders located outside Alberta;
- (c) payment for supplies purchased from or services rendered by entities based outside Alberta other than the management company;
- (d) payments to the management company as reimbursements for expenses or as payment for services;
- (e) rent for facilities or equipment owned by entities based outside Alberta; and
- (f) any other payments to out-of-province entities.

### *Operations and Marketing*

#### **52 Race meetings**

- (1) The application documents must describe the type of race meetings the applicant plans to conduct each year, including:
- (a) the number and type (by breed) of live race meetings and the number of live race days per week, and
  - (b) the number and type (by breed) of \*simulcast race meetings and the number of simulcast race days per week.

- (2) For each race meeting described, the documents must indicate the time of day the races will be conducted and the approximate number of races per breed to be offered.

### **53 Time schedule**

- (1) This section applies to new race tracks only or current race tracks with significant proposed facility upgrades.
- (2) The application documents must describe the time schedule proposed by the applicant for preparing the race track for racing.
- (3) For a new race track or an existing race track that is implementing capital improvements, the time schedule must state the estimated number of weeks, after the date the \*Corporation grants the licence, that the race track will open and when each of the following tasks will begin and end:
  - (a) acquiring land;
  - (b) soliciting bids;
  - (c) awarding construction contracts;
  - (d) construction;
  - (e) hiring management personnel;
  - (f) implementing marketing plan; and
  - (g) staffing and training staff.

### **54 Management**

- (1) The application documents must include a list of the individuals who are or will be senior decision makers or management personnel, or both, responsible for the operation of the race track.
- (2) For each individual listed, the documents must:
  - (a) include all information and required documents from section 17(2), 17(3), 32(2), and 32(3) of these rules (relating to personal information and background check);
  - (b) state the individual's experience and qualifications in:
    - (i) the racing industry, including pari-mutuel operations;
    - (ii) general business;
    - (iii) finance and accounting; and
    - (iv) security.

- (3) The application documents must include an organizational chart of the management personnel.
- (4) For each individual who is currently filling or who has been hired to fill a key management position, the documents must include a biography that states the total number of years experience the individual has in:
  - (a) pari-mutuel racing;
  - (b) non-pari-mutuel racing;
  - (c) other businesses relevant to the management position; and
  - (d) the proposed percentage of ownership, if any.
- (5) If the applicant contracts or intends to contract with a person or management company to manage the race track, the application documents must include:
  - (a) a copy of the written contract;
  - (b) a description of the person or company's previous experience operating a pari-mutuel race track; and
  - (c) all the information required by this section as it pertains to the person or company and its employees.

#### **55 Marketing**

The application documents must describe in detail the applicant's plan for the marketing, promotion and advertising of horse racing, special events and of their grandstand/race track facility.

#### **56 Concessions**

The application documents must describe the applicant's plan for concessions, including food, beverages, and merchandise/promotional products.

#### **57 Pari-mutuel operations**

- (1) The application documents must describe the applicant's pari-mutuel facilities and operations, including a description of the totalizator equipment being used or proposed to be used.
- (2) The application documents must describe the pari-mutuel facilities and totalizator equipment in sufficient detail to show compliance with \*Canadian Pari-Mutuel Agency permit requirements or provide the \*Corporation with a copy of the permit.

#### ***Impact of Facility***

## **58 Economic impact information and projections**

The application documents should include projections of the economic impact of the race track, including the impact on:

- (a) employment;
- (b) the sale of goods and services;
- (c) tourism;
- (d) tax revenues; and
- (e) public and private investments.

## **59 Impact on breeding industry**

The application documents should describe the applicant's current or future plans, or both, to encourage the growth of the horse breeding industry in Alberta.

## **PART 4**

### **RACE TRACK LICENSEE'S RESPONSIBILITIES**

## **60 General**

- (1) Every race track licence is granted upon the condition that the licence holder accepts, will observe and will enforce the rules and directives of the \*Corporation, and it is the duty of each officer, director and employee of the licence holder to observe and enforce the rules and directives.
- (2) All applications are to be signed and verified by statutory declaration.
- (3) In the event that control, whether majority or less of the capital stock, of any corporation holding a race track licence from the Corporation is to be conveyed, no sale or conveyance takes effect until approval in writing is obtained from the Corporation.

## **61 Annual financial report**

Licensee's shall submit to the \*Corporation an annual financial report, prepared in accordance with generally accepted accounting principles, which shall include:

- (a) all information required under section 12 of these rules;
- (b) report of independent auditors;
- (c) a statement pertaining to the licensee's activities in the province;

- (d) a listing of concession and management companies having any beneficial interest in the racing activities of the licensee;
- (e) number of performances by number of race cards and by number of races by breed;
- (f) attendance;
- (g) total pari-mutuel \*handle;
- (h) amount of uncashed tickets;
- (i) purses paid \$ indicating sources;
- (j) corporate sponsorships \$ indicating sources and funding amounts;
- (k) expenses related to racing operations;
- (l) total breakage and disbursements; and
- (m) a statement of original financing with an indication of principal paid, interest paid, funds reserved for future payment of debt and due dates for future payments.

## **62 Maintenance of grounds and facilities**

- (1) Each licensee shall at all times maintain its grounds and facilities so as to be neat and clean, and in good repair, with special consideration for
  - (a) the comfort and safety of patrons, employees, and other persons whose business requires their attendance; and
  - (b) the health and safety of the racehorses.
- (2) The licensee shall provide effective insect, animal, and rodent control.
- (3) The licensee shall ensure that racehorses are stabled in suitable stalls, that the stable and immediate surrounding area are maintained in approved sanitary condition at all times; that satisfactory drainage is provided; and that manure and other refuse are kept in separate boxes or containers at locations distant from any living quarters and promptly and properly removed.
- (4) The licensee is responsible to see that paddocks, starting gates and other equipment subjected to contact by different animals be kept in a clean condition and free of dangerous surfaces.
- (5) Each licensee shall provide a conveniently located receiving barn or stalls for the use of arriving horses during the race meeting. The barn shall have adequate stable room and facilities, hot and cold water, and stall bedding.

## **63 Race track**

- (1) Each race track licensee shall provide:
  - (a) the surface of a race track, including the cushion, subsurface and base, of such a design, construction and

maintenance so as to provide for the reasonable safety of the jockeys/drivers and racehorses;

- (b) a track with distances to be run measured from the starting line at a distance 3 feet out from the inside rail;
  - (c) an adequate drainage system for the race track; and
  - (d) adequate equipment and personnel to maintain the track surface in a reasonably safe training and racing condition.
- (2) The licensee shall also provide backup equipment for maintaining the track surface.
- (3) A licensee that conducts races on a turf track shall:
- (a) maintain an adequate stockpile of growing medium, and
  - (b) provide a system capable of adequately watering the entire turf course evenly.

#### **64 Results boards, totalizators required**

- (1) Each licensee shall provide and maintain computerized results boards showing odds, results, and other racing information located in plain view of the patrons.
- (2) Each licensee requires \*Corporation approval on any totalizator machines/systems for their race track.

#### **65 Marketing**

The licensee must on an annual basis describe their plans for marketing horse racing and their race track facility as well as demonstrate their support of the overall marketing strategies of the \*Corporation.

#### **66 Confidentiality of applications**

Any information provided under these rules will be treated as confidential by the \*Corporation except that information which is either in public domain, or which comes into the public domain in the future through no fault or breach of confidence by the Corporation, or which otherwise becomes available to the Corporation from sources other than the applicant.

#### **67 Coming Into effect**

Repealed.

[Amendment published in *Alberta Gazette* dated April 15, 2002]

## Schedule 1 Dictionary of Definitions

In these rules

**Act** means the *Horse Racing Alberta Act*;

**Board** means the Board of Directors of Horse Racing Alberta;

**Canadian Pari-Mutuel Agency (CPMA)** means the body responsible for administering the *Pari-mutuel Betting Supervision Regulations*;

**Corporation** means Horse Racing Alberta;

**foreign race separate pool betting** means separate pool betting in Canada on a foreign race;

**handle** means total amount of monies wagered on horse racing in any given facility or geographic area on any given day, month or year;

**inter-track betting** means pari-mutuel betting at one or more satellite tracks on a race that is held at a host track, where the money bet on each pool at each satellite track is combined with the money bet on the corresponding pool at the host track to form one pool from which the pay-out price is calculated and distributed;

**licensed race meetings** means a series of racing cards, licensed by the Corporation, that is held by an licensee at a race course;

**occupational licensees** means those people licensed by the Corporation to conduct and participate in horse racing in Alberta;

**off track betting theaters** or **OTB** means any facility where pari-mutuel betting occurs that is not located at a race track;

**Pari-mutuel Betting Supervision Regulations** means the regulations, under the *Criminal Code* of Canada, respecting the supervision and operation of pari-mutuel betting at race courses;

**pari-mutuel system** means the manual, electro-mechanical or computerized system and all software, including the totalizator, the telephone account betting system and the inter-track betting equipment, that are used to record bet and to transmit betting data;

**protected market area** means a geographical area that may be assigned to a licensee, by the Corporation, in respect to a race course within which the licensee may be granted exclusive rights, or parts thereof, for all horse racing and horse race wagering activities in that geographical area;

**purse accounts** means the funds available for purses at race tracks;

**racing entertainment centre** means a multi-functional facility for

- (a) live horse racing,
- (b) gaming opportunities, licensed under the *Gaming and Liquor Act*, and
- (c) other entertainment, designed to maximize participation by the general public and identified consumer groups;

[Amendment published in *Alberta Gazette* dated April 15, 2002]

***recognized Alberta Horsemen's Associations*** means those Horsemen's Associations recognized by the Corporation as the official representatives of their respective breeds and organizations;

***separate pool betting*** means pari-mutuel betting at one or more satellite tracks on a race that is held at a host track, where the money bet on each pool at each satellite track is retained at that satellite track or combined with the money bet on the corresponding pool at another satellite track or tracks, from which the pay-out price at the satellite track or tracks, as the case may be, is calculated and distributed;

***simulcast*** means the telecast or other transmission of audio and visual signals of a horse race that, for the purposes of allowing wagering to be conducted in Alberta on that horse race,

(a) is transmitted from the race track at which the horse race is being run, and

(b) is received and shown at a location in Alberta,

at the time that the horse race is being run;

***telephone account betting*** or ***TAB*** means pari-mutuel betting conducted by means of a telephone call by an account holder to an licensee.



## Schedule 2 Fees

- (1) Horse Racing Alberta reserves the right to charge a licensing fee for any or all Classes of race tracks in Alberta.
- (2) Horse Racing Alberta will impose a licence application/renewal processing deposit upon all applicants for a race track licence in the province. This fee will be paid, in full, at the time that the applicant's application is received by the Corporation. The Corporation shall apply these funds to its process of due diligence on the applicant's application. Should there be funds remaining, from the deposit, after the Corporation has performed its due diligence, these funds will be refunded to the applicant. The required processing deposits are:
  - (a) Deposits for a new application for a race track licence:
    - (i) for a Class A race track, \$30,000;
    - (ii) for a Class B race track, \$5,000;
    - (iii) for a Class C race track, \$500.
  - (b) Deposits for a race track licence application from persons who, at the date these rules come into force, conduct horse racing in Alberta:
    - (i) for a Class A race track, \$10,000;
    - (ii) for a Class B race track, \$2,000;
    - (iii) for a Class C race track, \$500.

[Amendment published in *Alberta Gazette* dated April 15, 2002]



**Schedule 3 Charts for section 19(6) and (7) of these rules**



**Schedule 3**

**Charts for section 19(6) and (7)  
of these rules**

<b>OWNERSHIP SUMMARY</b>					
Name	Reason for inclusion	Cash Contributed	Other Capital Contributed	Expected or Actual Date of Contribution	Percentage Ownership
Totals				100%	

<b>ATTENDANCE AND WAGERING SUMMARY</b>					
	<b>APPLICANT'S FORECASTED DATA</b>				
	Year 1	Year 2	Year 3	Year 4	Year 5
Race Days S Live					
Race Days S Simulcast					
Annual Attendance S Live					
Average Daily Attendance					
Average Daily Attendance S Simulcasting					
Average Daily Attendance					
Total Annual Attendance					
Pari-Mutuel Handle S Live					
Average Daily Handle					
Per Capita Handle					
Pari-Mutuel Handle S Simulcast					
Average Daily Handle					
Per Capita Handle					

Total Pari-Mutuel Handle					
Total Purses					
Average Daily Purses					

## Endnotes

1. Primarily sections 13, 14 and 22 of the Act.
2. See Schedule 2.
3. See Schedule 2.
4. For example, the *\*Pari-Mutuel Betting Supervision Regulations*.
5. In accordance with article 7.1 of the CPMA Policies and Procedures manual.