

**Rules of
Department of Revenue
Division 50—Missouri Horse Racing
Commission**

Chapter 11—Class A Licenses—Race Track Owner

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Title 12—DEPARTMENT OF REVENUE

Division 50—Missouri Horse Racing Commission Chapter 11—Class A Licenses— Race Track Owner

12 CSR 50-11.001 Disclosure of Applications

Emergency rule filed Oct. 16, 1986, effective Oct. 26, 1986, expired Feb. 12, 1987. Emergency rescission filed Nov. 7, 1986, effective Nov. 17, 1986, expired March 7, 1987.

12 CSR 50-11.010 Class A License Defined

PURPOSE: The purpose of this rule is to define Class A licenses as the owner of the track where pari-mutuel wagering will be conducted.

- (1) Class A license shall be a license granted by the commission for the ownership of a track where pari-mutuel wagering will be conducted.
- (2) Class A licenses must be obtained by any organization seeking to own or build a track for any form of horse racing covered by sections 313.500—313.710, RSMo (1986).
- (3) An organization may apply for and hold Class A and Class B licenses concurrently.

Auth: sections 313.540 and 313.580.1., RSMo (1986). Original rule filed June 17, 1986, effective Oct. 27, 1986.

12 CSR 50-11.020 Application for Class A License

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

- (1) An application for a Class A license must include, on a form prepared by the commission:
 - (A) The name, address and telephone number of the applicant;
 - (B) The name, position, address, telephone number and authorized signature of an individual to whom the commission may make inquiry; and
 - (C) The information required by this chapter.
- (2) The application for Class A license must be accompanied by an applicant's affidavit conforming to the requirements of 12 CSR 50-10.030.

- (3) The applicant shall be responsible to keep its pending application current at all times. The applicant shall notify the commission in writing within ten (10) days of any changes to any response in the application.

Auth: sections 313.540 and 313.580.1., RSMo (1986). Original rule filed June 17, 1986, effective Oct. 27, 1986. Amended: Filed June 6, 1989, effective Aug. 24, 1989.

12 CSR 50-11.030 Applicant's Affidavit

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

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

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

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

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

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

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

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

1. Documentary evidence of the authority of the agent must be attached to the affidavit and incorporated in it.
2. Documentary evidence may consist of—

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

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

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

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

E. Any other document evidencing authority;

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

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

(E) The affiant has—

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

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

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

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

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

(H) The affidavit must contain the following:

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

Auth: sections 313.580.1. and 313.600.9., RSMo (1986). Original rule filed June 17, 1986, effective Oct. 27, 1986.

12 CSR 50-11.040 Disclosure of Ownership and Control

PURPOSE: The purpose of this rule is to set forth the disclosure of ownership and control required in an application for Class A license.

- (1) An application for Class A license must disclose—



(A) The applicant's full name and the type of organizational structure under which the organization operates; and

(B) The business address and telephone number of the organization.

(2) If the applicant is an individual, the license application must disclose—

(A) The applicant's legal name;

(B) Whether the applicant is a United States citizen;

(C) Any aliases or business names which have ever been or are being used by the applicant; and

(D) Copies of the state and federal tax returns for the past five (5) years.

(3) If the applicant is a corporation, the application must disclose—

(A) The applicant's full corporate name and any trade names or fictitious names used by the applicant in this or any other jurisdiction;

(B) The jurisdiction and date of incorporation;

(C) The date the applicant commenced doing business in the state of Missouri, if any, and if the applicant is incorporated in any jurisdiction other than Missouri, a copy of the applicant's certificate or authority to do business in Missouri;

(D) Copies of each of the following:

1. Articles of incorporation;

2. Bylaws;

3. Federal corporate tax returns for the past five (5) years; and

4. State corporate tax returns for the past five (5) years;

(E) A statement of the general nature of applicant's business;

(F) Whether the applicant is publicly held as defined by the rules of the Securities and Exchange Commission;

(G) All the classes of stock authorized by the articles of incorporation. As to each class the applicant shall disclose—

1. The number of shares authorized;

2. The number of shares issued;

3. The number of shares outstanding;

4. The par value of each share;

5. The issue price of each share;

6. The current market price of each share;

7. The number of shareholders currently listed on the corporate books; and

8. The terms, rights, privileges and other information each class of stock possesses;

(H) If the applicant has any other obligations or securities authorized or outstanding which bear voting rights either absolutely or upon any contingency, together with the nature of the obligations. In addition, the following shall be disclosed for each obligation:

1. The face or par value;

2. The number of units authorized;

3. The number of units outstanding; and

4. Any conditions upon which the units may be voted;

(I) The names in alphabetical order and addresses of the directors. As to each director the following information shall be included:

1. The number of shares held of record as of the application date;

A. If the director owns no shares the application shall so state; and

B. Ownership of shares shall include beneficial owners as that term is defined in section 313.600.4., RSMo (1986);

(J) The names, in alphabetical order, and addresses of the officers of the applicant. As to each officer the following information shall be included:

1. The number of shares held on record as of the application date;

A. If the director owns no shares the application shall so state; and

B. Ownership of shares shall include beneficial owners as that term is defined in section 313.600.4., RSMo (1986);

(K) The names, in alphabetical order, and addresses of each record stockholder of the corporation. Stockholder shall mean record owners as defined in section 313.600.4., RSMo (1986). The applicant shall also include a percentage of the voting shares of stock owned by each record stockholder;

(L) Each jurisdiction, including the United States, for which the corporation has met filing and disclosure requirements of state securities registration and filing laws, the Securities Act of 1933 or the Securities and Exchange Act of 1934. The applicant shall include the most recent registration statement and annual report filed with the Securities and Exchange Commission and each state in which the corporation has registered or filed the report:

1. If the applicant has not registered or filed any statements with the commissioner of securities of the secretary of state of Missouri the applicant must state the reason the filing has not been made including specific reference to the exemption or exception upon which the applicant relies for not filing with the commissioner of securities of the state of Missouri; and

2. If the applicant has filed with the commissioner of securities of the state of Missouri, copies of all filings beginning with the most recent up to and including the first statement filed or for the past five (5) years, whichever is shorter, shall be included in the application.

(4) If the applicant is an organization other than a corporation the following information must be disclosed:

(A) The applicant's full name including any trade names or fictitious names currently in use by the applicant in Missouri or any other jurisdiction;

(B) The jurisdiction in which the applicant is organized;

(C) Copies of any written agreement, constitution or other document creating or governing the applicant's organization, powers of organization; and

(D) The date the applicant commenced doing business in Missouri.

1. If the applicant is organized under laws other than the state of Missouri a copy of the authorization of the state of Missouri to do business in Missouri.

2. If no authorization to do business in Missouri has been obtained, the applicant must state the reason the authorization has not been obtained;

(E) The applicant's federal and state tax returns for the past five (5) years.

1. If the applicant has not filed tax returns for each of the past five (5) years, the applicant shall state for each year a return was not filed the reason the return has not been filed.

2. If reasons for not filing tax returns in any years are the same, the applicant may explain those reasons together and need not set out each year separately;

(F) The general nature of the applicant's business;

(G) The names, in alphabetical order, and addresses of each partner, officer or other person having or sharing policy-making authority. As to each such person, the applicant must disclose—

1. The nature and extent of any ownership interest.

A. Ownership interest shall include any beneficial owner which is covered by section 313.600.4., RSMo (1986).

B. Any voting interest, whether absolute or contingent and the terms upon which the interest may be voted;

(H) The names, in alphabetical order, and addresses of any individual or other entity who holds a record or beneficial ownership as defined in section 313.600.4., RSMo (1986) in the application. The following information shall be given concerning each individual:

1. The nature of the ownership interest;

2. Whether the ownership interest carries a vote and the terms upon which the interest may be voted; and

3. The percentage of ownership.

(5) Whether the applicant is directly or indirectly controlled to any extent or in any manner by another individual or entity. If so, the applicant must disclose the identity of the controlling entity and a description of the nature and extent of the control. If the

controlling entity is not an individual, the information required by this rule for the corporation or partnership or other organization controlling the applicant must be disclosed.

(6) Any agreements or understandings which the applicant or any individual or entity identified in this rule has entered into regarding ownership or operation of the applicant's track. If the agreement or understanding is written, a copy of the agreement must accompany the application. If the agreement or understanding is oral, the terms shall be reduced to writing and must accompany the application. Should the agreement or understanding be contingent in nature, the applicant shall disclose the nature of the contingency.

(7) Any agreements or understandings which the applicant has entered into for the payment of fees, rents, salaries or other compensation by the applicant or to the applicant. If the agreements or understandings are written, copies of the written documents must accompany the application. If the agreement or understanding is oral, the terms shall be reduced to writing and must accompany the application. Should the agreement or understanding be contingent in nature, the applicant shall disclose the nature of the contingency.

(8) Whether any officer, director or stockholder, as that term is defined in section 313.580.2., RSMo (1986) has been—

(A) Convicted of a felony; and

(B) Convicted of or pled nolo contendere to any illegal gambling activity.

(9) Whether the applicant, any partner, director, officer, policy-maker, stockholder, as that term is defined in section 313.600.4., RSMo (1986), currently holds or has ever held a license or permit issued by a governmental authority to own and operate a horse racing facility or conduct any aspect of horse racing or gambling. If the applicant has held or holds a license or permit, the applicant must disclose—

(A) The identity of the license or permit holder;

(B) The jurisdiction issuing the license or permit;

(C) The nature of the license or permit; and

(D) The dates of issuance and termination, if any.

(10) The applicant shall provide a detailed itemized summary of all income received and expense incurred relating to the preparation of the application and pursuit of a Class A license. The summary shall include the source of income and the amount paid, the recipient and a brief description of goods or services

purchased. The summary shall be updated by the applicant periodically throughout the application process.

Auth: sections 313.580 and 313.600.4., RSMo (1986). Original rule filed June 17, 1986, effective Oct. 27, 1986. Amended: Filed June 6, 1989, effective Aug. 24, 1989.

12 CSR 50-11.050 Disclosure of Character Information

PURPOSE: The purpose of this rule is to set forth the character information required in an application for Class A license.

(1) An applicant for a Class A license must make its best effort to disclose the information required by this rule for any individual or other entity employed by the applicant, whether as an employee or an independent contractor.

(2) The applicant must disclose—

(A) Whether any individual or corporation enjoying any interest in any application has been charged and/or convicted or entered a plea of guilty or nolo contendere to any charge in any criminal proceeding, and whether or not a sentence is imposed. If any individual or entity has been so charged and/or convicted, the applicant must disclose—

1. The date charged and/ or convicted or entry of plea ;

2. The court;

3. The offense charged or convicted of;

4. If convicted, whether by plea or finding of a judge or jury; and

5. If convicted, the sentence imposed, if any;

(B) Whether any individual or corporation has been a party in a civil proceeding in which s/he has been alleged to have engaged in any unfair or anti-competitive business practice, a securities violation or false or misleading advertising. If any individual or entity has been a party to the civil proceeding, the applicant must provide—

1. The date of commencement of the proceeding;

2. The court;

3. The circumstances;

4. The date of any resolution including settlements;

5. The terms of any settlement;

6. The result of any trial; and

7. The result of any appeal;

(C) Whether any individual or entity has had a horse racing, gambling or other business license or permit revoked or suspended or the renewal of the license denied or has been a party in any proceeding to do so. If any

applicant or entity has been involved in a proceeding, the applicant must disclose—

1. The date of commencement;

2. The circumstances;

3. The date of decision; and

4. The result;

(D) Whether any individual or entity has been accused in an administrative or judicial proceeding of the violation of a statute or rule relating to unfair labor practices, discrimination, horse racing or gambling. If any individual or entity has been involved in any proceeding, the applicant must disclose—

1. The date of commencement;

2. The forum;

3. The circumstances;

4. The date of any decision; and

5. The result;

(E) Whether any individual or entity has commenced an administrative or judicial action against a government regulator of horse racing or gambling. If so, the applicant must disclose—

1. The date of commencement;

2. The forum;

3. The circumstances;

4. The date of any decision; and

5. The result;

(F) Whether any individual or entity has been the subject of voluntary or involuntary bankruptcy proceeding. If so, the applicant must disclose—

1. The date of commencement;

2. The forum;

3. The circumstances;

4. The date of decision; and

5. The result;

(G) Whether any individual or entity has failed to satisfy any judgment, decree or order of any administrative or judicial tribunal. If so, the applicant must disclose—

1. The date; and

2. The circumstances surrounding the failure; and

(H) Whether any individual or entity has been delinquent in filing a tax report required or remitting a tax imposed by any government. If so, the applicant must disclose—

1. The date the filing or tax report was required;

2. The date the filing or remission was accomplished; and

3. The complete circumstances surrounding the delinquent filing or remission.

Auth: section 313.580, RSMo (1986). Original rule filed June 17, 1986, effective Oct. 27, 1986. Amended: Filed June 6, 1989, effective Aug. 24, 1989.