



# **Minnesota Racing Commission**

## **2003 Annual Report**

**To:  
Governor Tim Pawlenty  
and The  
Minnesota Legislature**





## MINNESOTA RACING COMMISSION

TELEPHONE: 952-496-7950

P.O. BOX 630 SHAKOPEE, MN 55379

FAX: 952-496-7954

February 15, 2004

The Honorable Tim Pawlenty, Governor  
State of Minnesota  
130 State Capitol  
St. Paul, MN 55155

Patrick E. Flahaven, Secretary of Senate  
Minnesota Senate  
State Capitol  
St. Paul, MN 55155

Edward A. Burdick, Chief Clerk  
Minnesota House of Representatives  
211 State Capitol  
St. Paul, MN 55155

Dear Governor Pawlenty and Members of the Legislature:

As provided by Minnesota Statutes 240.02, Subd. 6, we herewith submit on behalf of the Minnesota Racing Commission its Annual Report for 2003. The information set forth will provide details on the Commission's activities, organizational structure, and disbursements.

The pari-mutuel racing industry in Minnesota represents an important segment of the state's economy, not only as reflected by the 2003 operations of Canterbury Park, but also through the economic/agri-business activity represented by the breeding, training and related support activities for the racing animals throughout the state.

Canterbury Park conducted 63 days of live racing for Thoroughbreds and Quarter Horses this past summer from May 16 through September 1. Additionally, 2 days of live harness racing were conducted on September 12 and 13.

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a card club in addition to live racing and simulcasting. The clearly stated intent of that legislation was to increase purses, which immediately happened. Operation of the Card Club for calendar year 2003 added \$3,100,000. These purse increases caused increased horse populations at the track, more employment at the track, increased wagering handle, and thus increased revenues to the racetrack, the horsemen and women, and the state's breeders' funds.

The Commission looks forward to working with you and your staff, the Legislature and other state agencies in carrying out its responsibilities in this important area.

The Minnesota Racing Commission and all the members of the industry appreciate the assistance provided by all levels of government and, most particularly, the Governor's office and the Legislature in addressing matters of interest and of significance to horse racing and pari-mutuel wagering. The Commission and its staff is working and will continue to work with all concerned to maintain the growth of live pari-mutuel horse racing and its integrity.

Regards,

Camille McArdle, Chair

# The MINNESOTA RACING COMMISSION

**Governor**  
Tim Pawlenty

## **Racing Commissioners**

Cynthia Piper, Chair – term expired 6/03  
Camille McArdle DVM, Vice Chair appointed Chair 10/03  
John Farrell, 2<sup>nd</sup> Vice Chair – term expired 6/03  
Scott LeDoux – appointed Vice Chair 10/3  
Arnold Palmer – appointed 2<sup>nd</sup> Vice Chair 10/3  
Thomas Brownell – term expired 6/03  
Robert McNamara      William Robinson  
Lynn Johnson          Darcy Hitesman  
Kristine Sundberg      Kathleen Preece

**Executive Director**  
Richard Krueger

### **Racing Stewards**

*(Contract – Seasonal)*  
James Higginbottom  
Noble Hay  
David Moore

### **Security Director**

Patrick Shannon

### **Investigator**

Michelle Doyle

### **Pari-Mutuel Auditor/Licensing Coordinator**

Colleen Hurlbert

### **Office Manager/ Breeders' Fund Administrator**

Pam Webber

### **Licensing Clerk**

Cynthia Urista

### **State Veterinarian**

*(Contract – Seasonal)*  
Lynn Hovda

### **Assistant Veterinarians**

*(Contract – Seasonal)*  
Vernon Don Newcomb, DVM  
Richard Bowman, DVM

### **Detention Barn Coordinator**

Jeanne French

### **Veterinarian Services Coordinator**

Sonja Field

# MINNESOTA RACING COMMISSION

## 2003 ANNUAL REPORT

### TABLE OF CONTENTS

#### I. THE MINNESOTA RACING COMMISSION

Introduction .....	1
Constitutional/Legislative Authority .....	1
Duties of the Commission .....	1
The Commissioners .....	2
The Commission Staff .....	2
Organization of the Commission .....	3
Advisory Committees .....	4
Meetings of the Commission .....	4
Commission Office .....	4

#### II. COMMISSION ACTIVITIES

Rulemaking .....	5-6
Summary of Card Club Operation, Licensing, Security and Investigations .....	7-8
Table 1. Occupational License Summary By Year .....	9
Table 2. Occupational Licenses Issued to Minnesotans.....	10
Veterinary Department Year End Report. ....	11-12
Pari-mutuel Statistics .....	13
Canterbury Park Handle. ....	14
Fiscal Year Non-Dedicated Revenue Chart .....	15
Fiscal Year Financial Summary.....	16
Breeders' Fund. ....	17
Equine Grant Programs . ....	17-18
Breeders' Fund Recap for 2003 .....	19
Breeders' Fund Horse Registrations .....	19

#### III. LEGISLATION.....20

#### IV. OTHER MATTERS .....20



# I. MINNESOTA RACING COMMISSION

## INTRODUCTION

This annual report is being submitted to the Governor and the Legislature pursuant to Minnesota Statutes §240.02, Subd. 6 and to the Secretary of the Senate, the Chief Clerk of the House of Representatives and the Legislative Reference Library pursuant to Minnesota Statutes §3.195. In compliance with the Laws of 1994, Chapter 559, Section 1, it is estimated that it cost \$1,286.97 to prepare this report.

## CONSTITUTIONAL / LEGISLATIVE AUTHORITY

In November 1982, the Minnesota voters approved by an overwhelming majority a constitutional amendment allowing pari-mutuel horse racing. The amendment provides that:

"The Legislature may authorize on-track pari-mutuel betting on horse racing in a manner prescribed by law." Minnesota Constitution, Article X, Section 8.

In response to that public mandate, in 1983, the Minnesota Legislature enacted Minnesota Statute, Chapter 240, which created and empowered the Minnesota Racing Commission.

## DUTIES OF THE COMMISSION

The legislature has empowered the Racing Commission with certain duties including, among others, the authority to:

1. Regulate horse racing and card club operation, in Minnesota, to ensure that it is conducted in the public interest;
2. Issue racetrack owner, operator, and occupational licenses;
3. Enforce all laws and rules concerning horse racing and the card club plan of operation;
4. Supervise the conduct of pari-mutuel betting on horse racing and collect and distribute all pari-mutuel taxes;
5. Conduct investigations and inquiries the Commission deems necessary to carry out its duties; and
6. Take all necessary steps to ensure the integrity of horse racing and card playing in Minnesota.

## THE COMMISSIONERS

The Racing Commission is comprised of nine members appointed by the Governor and confirmed by the Senate for six-year terms. The names of the current commissioners are listed below along with city of residence and ending date of each of their respective terms.

Camille McArdle (Chair)	Corcoran	June 30, 2005
Scott LeDoux (1 <sup>st</sup> Vice Chair)	Andover	June 30, 2007
Arnold Palmer (2 <sup>nd</sup> Vice Chair)	Plymouth	June 30, 2005
Lynn Johnson	Minneapolis	June 30, 2005
Robert McNamara	Edina	June 30, 2007
William Robinson	Long Lake	June 30, 2007
Darcy Hitesman	Maple Grove	June 30, 2009
Kristine Sundberg	Minnetonka	June 30, 2009
Kathleen Preece	Bemidji	June 30, 2009

Appointments expired June 30, 2003

Cynthia Piper (Chair)	Hamel
John Farrell (2nd Vice Chair)	Waverly
Thomas Brownell	Lakeville

Pursuant to state law, the Commissioners are paid \$55 for each day spent on Racing Commission business.

## THE COMMISSION STAFF

The Racing Commission is currently staffed by the following individuals:

Richard G. Krueger	Executive Director
Pamela Webber	Office Manager/Breeders' Fund Administrator
Colleen Hurlbert	Pari-mutuel Auditor/Licensing Coordinator
Cynthia Urista	Licensing Clerk
Patrick L. Shannon	Security Director
Michelle Doyle	Investigator

To further assist the Commission with its regulatory responsibilities, the following individuals were contracted or employed seasonally by the MRC for professional and technical services during the 2003 racing season:

Stewards	James Higginbottom Noble Hay, Jr. David Moore
Veterinarians and Assistants	Chief Veterinarian Lynn Hovda, DVM Donald Newcomb, DVM Richard Bowman, DVM Jeanne French, Lead Test Barn Technician Sonja Field, Veterinary Office Administrator



# ORGANIZATION OF THE COMMISSION

The Racing Commission during March of 2001 appointed new standing committees, which are now comprised of the following commissioners:

## **RACING COMMITTEE**

Medication, Stewards, Rules, Breeders' Fund

Camille McArdle, Chair  
Robert McNamara  
Arnold Palmer  
vacancy  
vacancy

## **CARD CLUB COMMITTEE**

Card Club Operations, Security/Surveillance, Internal Controls

Lynn Johnson, Chair  
John Farrell (Chair through 6/30/03)  
Scott LeDoux  
Cynthia Piper (through 6/30/03)

## **ADMINISTRATIVE AFFAIRS**

Affirmative Action, Personnel, Financial Oversight, Licensing, Advisory Committees, Legislature, Public Information & Breeding Industry

Arnold Palmer  
Thomas Brownell (through 6/30/03)  
John Farrell (through 6/30/03)  
vacancy  
vacancy

The MRC encouraged involvement from the following advisory bodies during 2003

---

**BREEDERS' FUND APPROPRIATIONS ADVISORY COMMITTEE**

---

Carin Offerman, Chair	Plymouth
Burt Dahlberg	Lakeville
Dave Dayon	St. Michael
Marlys Goebel	Cottage Grove
Kathy Kissoon	Bloomington
Dan Mjolsness	Red Wing
Jack Walsh	Stillwater
Charles Yahnke	LeSueur
Dan Cohen, Chair	Minneapolis

---

**COUNTY FAIR RACING ADVISORY COMMITTEE**

---

Ray Swanson, Chair	Stillwater
James Sweet	Blaine
vacancy	

---

**MEETINGS OF THE COMMISSION**

The Racing Commission usually meets the third Wednesday of each month during the off-season and the third Thursday of each month during live racing. The committees meet at the call of their respective chairs.

---

**COMMISSION OFFICE**

The office of the Minnesota Racing Commission is located at:

**Canterbury Park  
P.O. Box 630  
1100 Canterbury Road  
Shakopee, MN 55379  
Telephone: (952) 496-7950  
Telefax: (952) 496-7954  
Website: <http://www.mnrace.commission.state.mn.us>  
1-800-627-3529 (TDD-Voice Relay Service)**

## II. COMMISSION ACTIVITIES

### RULEMAKING

Of the many ongoing duties and responsibilities of the Minnesota Racing Commission, perhaps the most important is to promulgate the rules by which pari-mutuel racing and wagering will be conducted. All rules and amendments thereto have served well to regulate and control the industry. Through the events of past race meets, it becomes apparent that several rules, many of them unique to Minnesota, require certain revisions. As a result the Minnesota Racing Commission through its Racing Committee and other affected parties revises and updates its rules to meet the current needs of the industry.

In 2003 the Legislature mandated that the Racing Commission become self-supporting. As a response to that legislative action, the Racing Commission proceeded with a rulemaking process which amended fee based rules as a method of generating revenue. In addition, a rules process was begun in the latter part of 2003 for the purpose of revising rules based on recommendations from staff, Canterbury Park, and various horsemen's organizations. The Commission is in the process of adopting rules and rule amendments which would increase the amount at which a Class A or B licensee must obtain approval for construction, expansion, extension, alteration or remodeling of its facility; add descriptive language for horse ambulance vehicle requirements; add clarifying language of minimum trifecta wagering; reduce the minimum number of betting interests in trifecta wagering; add newly proposed Place Pick All and Head to Head wagers; allow for a carryover and cancellation of a carryover in Pick Four wagering; increase security requirements for the Jockey's Room; add health certificate requirements for horses stabled on and off grounds; allow consideration in determining culpability of an assistant trainer by the stewards; restrict possession of substances by private veterinarians; remove obsolete language regarding the possession of firearms as they pertain to the "Conceal and Carry" law; make compliant with practice the allowance of an owner to enter a horse in a race prior to obtaining an individual license; add medical definitions; allow distribution of standardbred breeders' funds for non-pari-mutuel races; allow registered standardbred stallions to leave the state of Minnesota under certain circumstances; allow awards and purse supplements to be paid to horses that finish fifth or better rather than third or better; allow the stewards to consider court judgments regarding financial complaints as related to a licensee; allow for breath samples in drug testing.

The major categories of rules for which the commission has direct authority and accountability for oversight include:

Racetrack Licensure (Class A)  
Racing Licensure (Class B)  
Pari-Mutuel Betting  
Racing Facilities and Stabling  
Occupational Licensure (Class C)

County Fair Licensure (Class D)  
Conduct of the Race  
Horse Medication and Examination  
Medical Testing  
Breeders Fund

During 1995, a Public Advisory Committee was formally organized to provide input to proposed rule changes as they are proposed. Members of the Advisory Committee are:

Kay King	Executive Director, MN Thoroughbred Association
Tom Metzen	President, MN H.B.P.A.
Ron Banks	President, MN Harness Racing Inc.
Eric Halstrom	Executive Director of Simulating Operations, Canterbury Park
Kelvin Childers	President, MN Quarter Horse Racing Association

The overriding concern of the Minnesota Racing Commission is to provide the controls to build in safeguards for the patrons of Canterbury Park and the citizens of Minnesota. The Racing Committee has not overlooked the fact that the rules should also provide protection for the participants and allow them to conduct their business in an orderly fashion without the burden of undue over regulation or operating costs. Strict compliance with the Minnesota Administrative Procedures Act has been observed and participation by all persons has been encouraged.

## **SUMMARY OF CARD CLUB OPERATION**

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a Card Club in addition to live racing and simulcasting. The Card Club opened on April 19<sup>th</sup> of 2000. According to the law, 10% of the rake, up to \$6 million is set aside for purses and of that amount 10% is paid to the Commission for purse supplements from the Minnesota Breeders' Fund. Once the rake exceeds \$6 million, the purse set aside is 14% with again 10% of that amount for the Breeders' Fund. That legislation goes on to allow the racetrack and the horsemen's organizations to negotiate different percentages than stated in the law and, if so, to file an agreement with the Commission. There was agreement for all of 2003 that required 14% of the rake to be set aside for purses. The total rake for 2003 was \$22.1 million, up 27.17% from 2002, with \$2.8 million set aside for purses and \$310,000 paid to the Breeders' Fund for purse supplements for Minnesota bred horses.

## **LICENSING LICENSING, SECURITY AND INVESTIGATIONS**

A primary function of the Minnesota Racing Commission security and licensing staff is to allow only qualified personnel to participate in racing in Minnesota. Another function is to ensure that the statutes and the Minnesota Racing Commission rules and regulations of racing are enforced. This requires communication with the Federal Bureau of Investigation; Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division; Minnesota Bureau of Criminal Apprehension; U.S. Department of Immigration; Internal Revenue Service; Minnesota Department of Revenue; Scott County Sheriff's Office; State Attorney General's Office; Shakopee Police; North American Pari-Mutuel Regulators Association (NAPRA); racing and gaming regulatory agencies in other jurisdictions; Board of Stewards; The Jockeys' Guild; The Jockey Club; Thoroughbred Racing Protective Bureau; U.S. Trotting Association; Minnesota Thoroughbred Association; Minnesota Quarter Horse Racing Association; Minnesota Harness Racing, Inc.; Arabian Racing Association of Minnesota and Canterbury Park's track security.

## **INVESTIGATIONS SUMMARY**

The Minnesota Racing Commission relies on their Director of Security, investigators and agents from the Department of Public Safety's Alcohol and Gambling Enforcement Division. The investigators work on the backside to enforce the statutes and rules of racing in the community, and on the front side in the licensing office, to interview and screen applicants. The investigators and licensing staff are responsible for ensuring that Class C (occupational) licensees comply with all Minnesota statutes including applicant eligibility and workers' compensation requirements.

The card room requires additional investigative responsibility to ensure that all the card games are played in compliance with statutes, Commission rules and the card club plan of operation. The investigators work closely with the surveillance room personnel to monitor the behavior of

the patrons and the card room employees. The Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division is the primary agency to which the Commission reports any misconduct or procedure violations.

The majority of investigations consist of criminal history and background checks on licensees. Minnesota has strict laws about the eligibility of license applicants with criminal backgrounds. As a result, additional investigation may be required in the processing of an applicant. During live racing, surveillance of those directly involved in racing competition is necessary. Those individuals include jockeys, drivers, gate crewmembers, trainers, and other backstretch employees. The investigators work closely with the stewards in following up on complaints and instances where irregularities are noticed.

## **OCCUPATIONAL LICENSING**

The Minnesota Racing Commission must license everyone who is employed at a racetrack in Minnesota. Applicants are fingerprinted and authorize the release of personal information to verify application content. The applicants must also complete a notarized Affidavit of Qualification stating that they are not in debt to the State of Minnesota, have never been convicted of a felony, have never been involved in illegal business or fraud, nor have they been convicted of a crime related to horse racing or gambling.

In 2003, 3805 Class C occupational licenses were issued by the Minnesota Racing Commission during the live and simulcast racing meets. Of these, 3393 licenses were issued to individuals racing or working in various occupations at Canterbury Park. Licenses were issued to applicants from 47 different states as well as several different countries including Canada, France, and Mexico. Table 1, page 9 summarizes by occupation, the licenses issued by the Commission since 1994. Table 2, page 10 summarizes licenses issued to Minnesotans by occupation since 1994.

**Table 1****Occupational (Class C) License Summary by Year**

<b>LICENSE TYPE</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Commission/MRC Staff	20	35	31	31	34	30	53	39	31	31
Bloodstock Agent	0	1	1	0	0	0	0	2	1	1
Vendor	11	32	28	60	29	28	49	45	40	80
Vendor, Sole Proprietor	2	8	10	12	24	28	40	42	39	79
Vendor Employee (included with Cby Association Emp prior to 1997)				71	47	54	104	92	98	101
Detention Barn Technician	0	12	17	20	11	12	19	15	16	17
Driver	0	0	4	15	14	7	6	15	0	13
Exercise Rider	0	71	66	40	46	45	46	60	52	44
Farrier	0	12	16	12	10	13	8	11	10	11
Farrier's Assistant	0	0	0	1	1	1	0	2	0	2
Gate Crew	0	12	14	14	12	16	10	14	15	11
Horsemen's Bookkeeper	0	1	1	1	1	1	1	1	1	1
Groom/Hotwalker	0	262	266	209	241	251	251	357	268	314
Jockey	0	72	54	60	61	61	69	84	58	80
Jockey Agent	0	7	12	6	8	8	12	17	11	11
Jockey, Apprentice	0	4	3	4	3	2	2	5	5	4
Owner, Individual	15	1061	1038	908	976	984	965	1055	906	1106
Owner, Multiple	0	181	212	135	180	169	199	256	216	283
Owner/Trainer							111	116	81	101
Owner/Trainer/Driver	24	28	17	37	39	19	14	30	0	16
Pari-mutuel Clerk	132	228	151	147	136	164	165	145	126	131
Pony Rider	0	18	21	19	19	19	21	19	19	17
Racing Official	3	19	21	18	19	17	22	19	12	19
Security Officer	27	55	42	41	36	38	104	85	71	80
Stable Foreman	0	9	5	3	6	4	2	1	0	1
Trainer	0	186	172	180	185	201	105	112	65	110
Trainer, Assistant	0	52	42	40	38	38	38	48	39	57
Valet	0	10	9	11	10	10	14	12	15	17
Veterinarian	0	7	9	7	7	9	10	11	11	11
Veterinary Assistant	0	3	2	2	3	3	7	8	6	6
Canterbury Association Employee	306	579	515	434	392	417	729	632	601	639
Canterbury Card Club Employees							386	408	379	330
Canterbury Medical	0	39	27	38	40	50	35	5	5	4
Stable	0	42	52	36	47	39	52	48	37	49
County Fair Volunteers							24	27	0	0
Other	1	11	40	36	16	13	17	15	20	28
<b>Totals</b>	<b>550</b>	<b>3057</b>	<b>2898</b>	<b>2648</b>	<b>2691</b>	<b>2751</b>	<b>3690</b>	<b>3853</b>	<b>3254</b>	<b>3805</b>

**Table 2****Occupational (Class C) Licenses Issued to Minnesotans**

LICENSE TYPE	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Commission/MRC Staff	19	30	24	30	28	20	33	29	5	26
Bloodstock Agent	0	1	1	0	0	0	0	1	1	1
Vendor, Sole Proprietor	1	8	8	10	18	23	32	31	32	64
Vendor Employee (included with Cby Association Emp prior to 1997)				61	42	48	85	82	90	92
Detention Barn Technician	0	10	16	17	9	11	18	14	16	13
Driver	0	0	1	1	2	1	3	3	0	2
Exercise Rider	0	22	20	15	20	17	16	20	20	15
Farrier	0	4	3	4	1	2	3	4	3	3
Farrier's Assistant	0	0	0	1	1	1	0	1	0	2
Gate Crew	0	1	3	4	2	1	0	3	5	3
Horsemen's Bookkeeper	0	1	1	1	1	1	0	0	0	0
Groom/Hotwalker	3	112	88	71	80	84	82	131	97	127
Jockey	0	5	2	3	5	3	4	6	6	8
Jockey Agent	0	1	3	2	2	1	2	2	1	2
Jockey, Apprentice	0	1	0	0	0	0	1	2	1	0
Owner, Individual	5	531	504	437	394	397	382	393	403	440
Owner/Trainer							20	27	23	27
Owner/Trainer/Driver	8	11	9	10	9	9	5	6	0	5
Pari-mutuel Clerk	130	224	148	141	129	131	155	141	121	128
Pony Rider	0	5	6	6	6	5	3	4	3	2
Racing Official	2	4	5	5	7	6	9	8	3	8
Security Officer	27	55	42	39	36	38	97	83	69	80
Stable Foreman	0	2	2		3	0	0	0	0	0
Trainer	0	46	41	43	44	43	20	11	14	14
Trainer, Assistant	0	10	5	7	7	5	6	9	7	9
Valet	0	0	2	4	4	2	3	5	8	6
Veterinarian	0	7	7	5	6	7	8	9	10	11
Veterinary Assistant	0	3	2	1	2	3	3	3	3	5
Canterbury Association Employee	301	552	508	403	366	384	659	593	576	614
Canterbury Card Club Employees							350	379	354	297
Canterbury Medical	0	36	26	36	40	49	34	5	5	4
County Fair Volunteers							24	27	0	0
Other	1	6	34	21	14	11	14	11	17	26
<b>Totals</b>	<b>497</b>	<b>1668</b>	<b>1511</b>	<b>1378</b>	<b>1278</b>	<b>1303</b>	<b>2071</b>	<b>2043</b>	<b>1893</b>	<b>2034</b>



# VETERINARY DEPARTMENT

## 2003 YEAR-END REPORT

The mission of the Veterinary Services Department of the Minnesota Racing Commission is fourfold. The Veterinary Services Department functions to protect the well being of equine athletes, safeguard riders and drivers, protect the betting public, and maintain the integrity of horse racing in Minnesota. Well established programs, including but not limited to, pre-race examinations, monitored workouts, posted Veterinarian's List, controlled furosemide administration, and race day blood/urine analysis support the mission of the department.

Over 1,500 Thoroughbreds and Quarterhorses entered the grounds of Canterbury Park during the 2003 race meet. All horses passing through the stable gate, whether to race or for another purpose, were required to have a current Health Certificate and a negative test for Equine Infectious Anemia. These papers were checked at the Stable Gate and again by the Veterinarian's Office. Any discrepancies were discussed immediately with the trainer or veterinarian writing the Health Certificates and reported to the Minnesota Board of Animal Health.

A medical record was created for each Thoroughbred and Quarterhorse on the grounds. This medical record was updated after each pre-race examination performed by a Commission Veterinarian. Additional notes on the medical records included abnormal physical findings, diagnostic procedures, radiographic or ultrasound abnormalities and surgical procedures. The medical records also included information on horses that were scratched from racing for medical reasons, treatments given, and the length of time on Veterinarian's List. From this medical record, a list of pregnant and nerved horses was obtained and posted in the Veterinarians' Office.

A total of 5,254 Thoroughbreds and Quarterhorses entered and left the starting gate in 2003. The Commission Veterinarian's Office performed 5,480 examinations. From these examinations, 100 horses were deemed unfit to race and were recommended to the Board of Stewards to be scratched from racing. An additional 20 horses were scratched at the starting gate/paddock by the Track Veterinarian, 92 by the Stewards, and 14 by the trainers. The 120 Veterinarian scratches, in addition to 245 bleeders and another 121 sick, lame, or sore horses were placed on the Veterinarian's List for a minimum of five days. The racing performance of 39 horses was evaluated during and after a training session, either for removal from the Veterinarian's List or due to a prolonged layoff. As a matter of record, 8 deceased horses were placed on the Veterinarian's List and notification given to the Jockey Club of America.

The furosemide program continued as in past years with furosemide administered in the horses' stalls under direct supervision of a Minnesota Racing Commission employee. A total of 1,323 horses raced on furosemide with three medication violations found (see below).

The Test Barn sampled 1,226 Thoroughbreds and 151 Quarterhorses after racing. Blood from all 1,379 horses and urine on 1,250 horses was submitted to Truesdail Laboratories in Tustin, California for analysis. Of the 90 horses that did not pass urine, 86 were Thoroughbreds (7%) and 4 Quarter horses (0.3%). An additional 31 "special" blood samples were collected and submitted for analysis. Very few medication errors were found this year. Five samples exceeded the 5.0 mcg/ml limit for phenylbutazone or metabolites and three samples tested positive for furosemide. One erythropoietin suspect was detected and three samples tested positive for albuterol. All medication violations were reported to the Board of Stewards, who dealt with them as they deemed fair and equitable.

The horse ambulance was used a total of 41 times in 2003. Eight horses died or were humanely euthanized on the grounds. Four horses suffered catastrophic race related injuries and 2 had catastrophic training related injuries. This resulted in a race related catastrophic incidence rate of .076%. This number is in keeping with previous years and well below the accepted range of 0.15% to 0.5%. Because no data is kept on the total number of horses using the training track during the race meet, no training related catastrophic incidence rate can be calculated.

All horses dying or euthanized on the grounds were submitted to the University of Minnesota Veterinary Diagnostic Laboratory for a complete necropsy. This change in policy solved several problems. Horses were quickly removed from the grounds and a thorough necropsy performed in a timely fashion. Accurate necropsy reports were provided to the Veterinarian's Office and could be used for insurance related questions. Horses were euthanized at Canterbury with a barbiturate. Utilization of the Diagnostic Laboratory prevented barbiturates from entering the human or animal food chain. Finally, the Commission Veterinarian's Office was quickly notified of any abnormalities or contagious diseases occurring on the backside.

Over the past ten years, the need for placement of injured and retired racehorses has been met by the Veterinarian's Office. The Veterinarian's Office works closely with a number of non-profit equine shelters to place sound or otherwise fit horses. Injured horses are evaluated and placed in foster homes until they are capable of being moved to a shelter or adopted. This year, 23 racehorses found successful shelter, with most moving on to other careers. Five horses remain in foster care.

The goose problem on the turf course was met humanely with the use of a trained herding dog. Sam, an Australian Shepherd, bred, owned, and trained by Commission Veterinarian Dr. Richard Bowman was used as needed prior to each turf race to herd geese off the track and into the pond. This has not only ensured the safety of the geese, but of the horses and riders as well.

Canterbury Park held two days of Standardbred harness racing (September 12-13, 2003). The same veterinary policies and procedures of racing were followed. In 133 starts, 5 horses were scratched from racing for veterinary related problems. No catastrophic injuries occurred during the races. A total of 38 blood and 34 urine samples were submitted to Truesdail Laboratories in Tustin, California for analysis. Three samples did not have any phenylbutazone or metabolites present yet were declared on the program. Thirteen horses raced under the furosemide program with no violations detected.

As in previous years, the Commission Veterinary Department provided tight controls, maintained the integrity of racing and insured humane treatment of the horses stabled on the backside. Education remained important to the Veterinary Department as West Nile Virus continued to be prominent threat in Minnesota. This was a successful year in education on vaccinations for West Nile Virus, as no deaths of horses stabled at Canterbury Park occurred from the West Nile Virus. Two dead crows from the paddock area were submitted to the Health Department for West Nile Virus analysis. Both were positive for West Nile Virus and Canterbury Park management was notified. All members of the Veterinarian's Office participated in the Horsemen's Protective and Benevolent Association's "Groom Elite" program. This program helps educate grooms on basics of horse health and care. The Veterinarian's Office recognized and supported this program in its entirety.

# 2003 PARI-MUTUEL STATISTICS

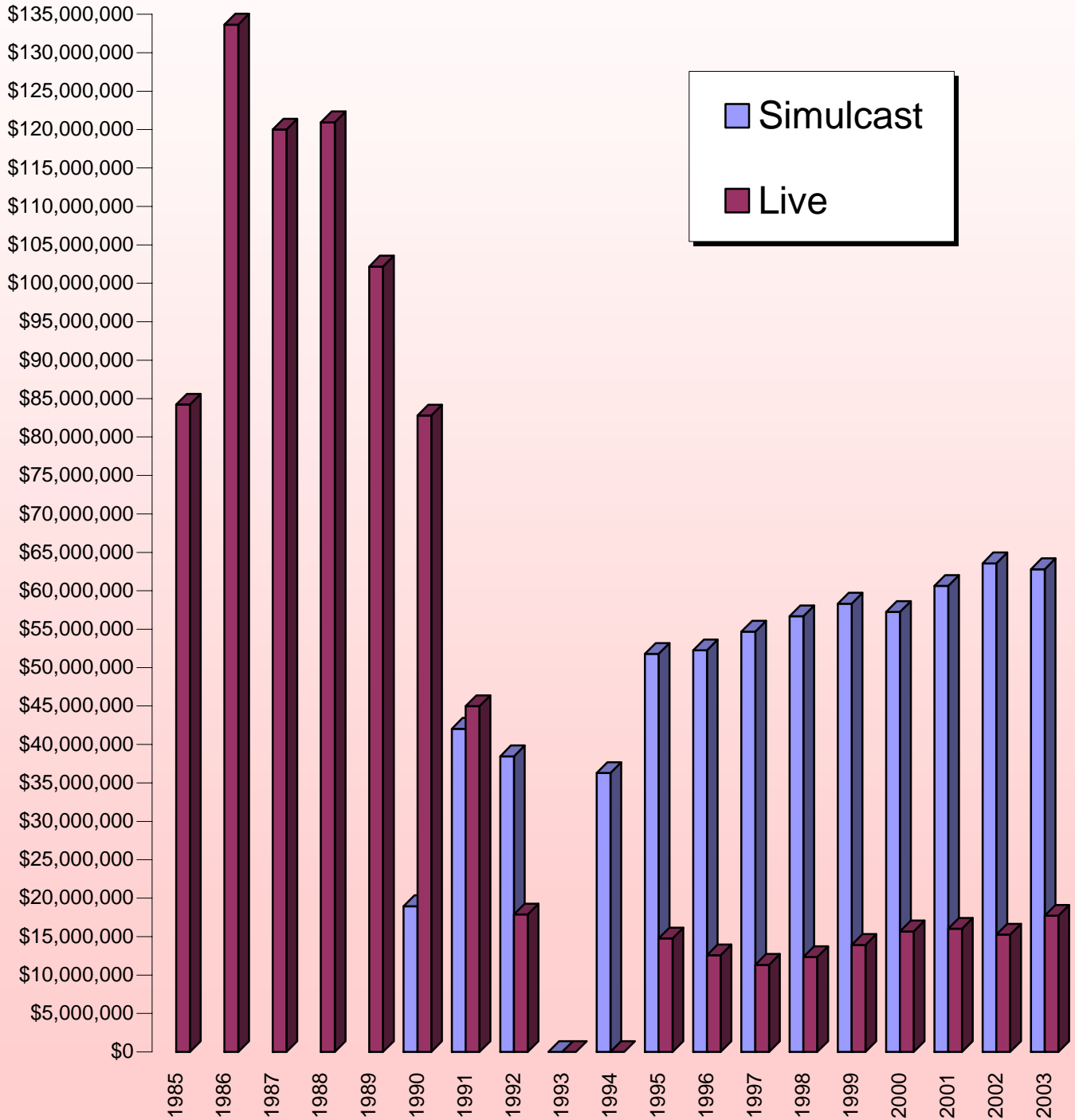
## LIVE WAGERING

<b>2003 Live Thoroughbred and Quarter Horse Races</b> Thoroughbred Meet – May 16 – May 18, 2003 & July 7 – September 1, 2003 Mixed Meet (Thoroughbred & Quarter Horse) – May 23 – July 6, 2003 Festival of Champions – August 17, 2003 Claiming Crown – July 19, 2003 Standardbred Meet – September 12 – 13, 2003 Total Attendance for Live Racing (May 16 – September 13, 2003 - 65 Days) 305,591					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACES	AVERAGE HANDLE PER RACE
Thoroughbred	\$16,700,647	\$3,389,958	\$12,788,524	549	\$30,420
Quarter Horse	\$915,690	\$185,037	\$726,438	67	\$13,667
Standardbred	\$92,451	\$18,579	\$72,915	20	\$4,623
<b>TOTAL</b>	<b>\$17,708,788</b>	<b>\$3,593,574</b>	<b>\$13,587,877</b>	<b>636</b>	<b>\$27,844\$12</b>

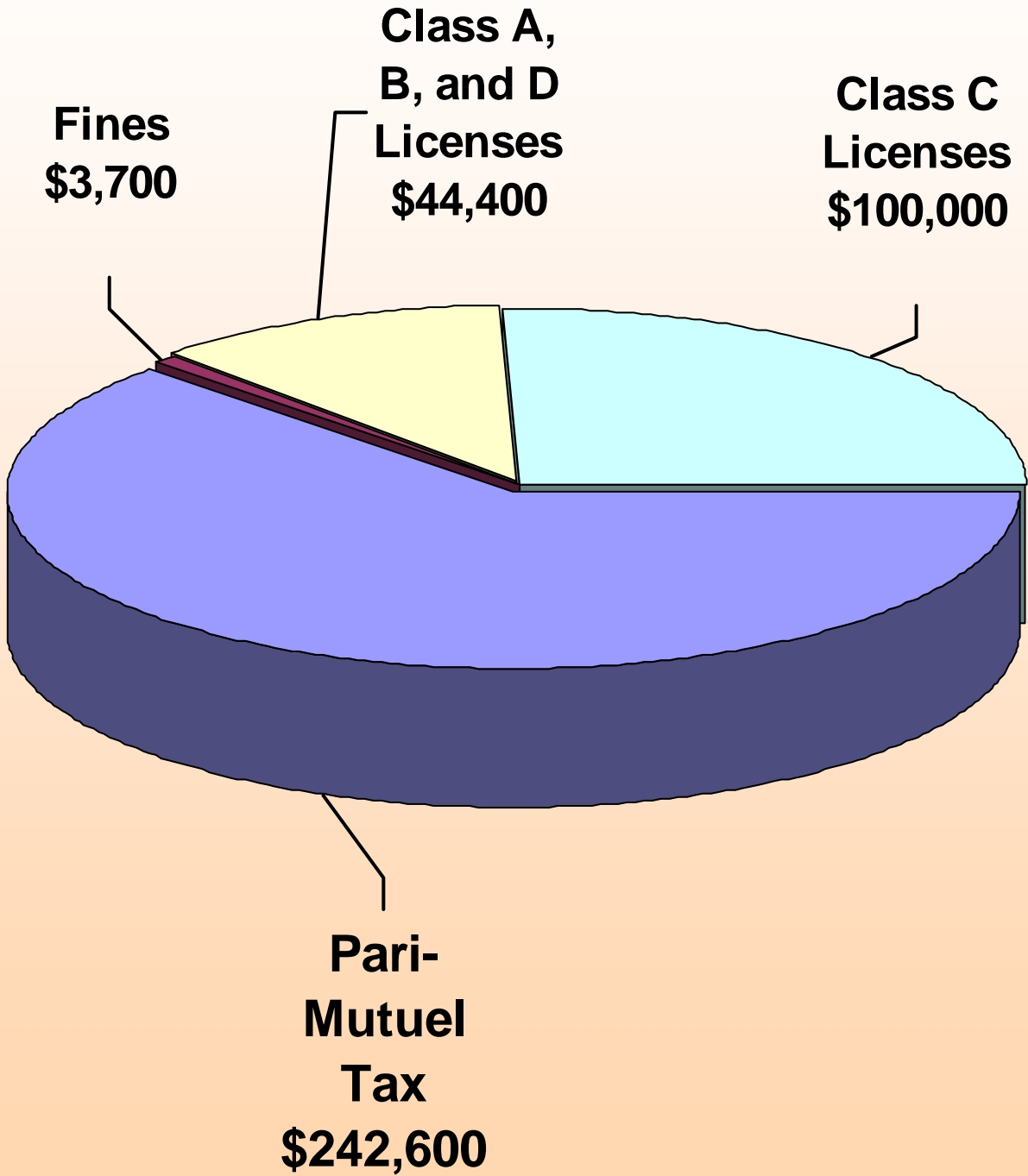
## SIMULCAST WAGERING

<b>2003 Full-Card Simulcast Meets</b> January 1, 2003 – December 31, 2003					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACE DAYS	AVERAGE HANDLE PER RACE DAY
Thoroughbred	\$58,574,957	\$11,675,678	\$46,559,427		
Quarter Horse	\$1,360,655	\$275,737	\$1,086,183		
Standardbred	\$2,701,019	\$586,321	\$2,010,445		
Arabian	\$174,811	\$34,894	\$138,822		
<b>TOTAL</b>	<b>\$62,811,442</b>	<b>\$12,572,630</b>	<b>\$49,794,877</b>	<b>364</b>	<b>\$172,559</b>

# CANTERBURY PARK HANDLE CALENDAR YEARS 1985 - 2003



# NON-DEDICATED REVENUE FISCAL YEAR 2003



**MINNESOTA RACING COMMISSION  
SIX YEAR FINANCIAL SUMMARY  
FISCAL YEARS 1998 - 2003**

**APPROPRIATIONS**

	<b>FY 2003</b>	<b>FY 2002</b>	<b>FY 2001</b>	<b>FY 2000</b>	<b>FY 1999</b>	<b>FY 1998</b>
General Fund Appropriation	\$426,000	\$414,000	\$402,000	\$390,000	\$379,000	\$371,000
Statutory Carry Forward	\$1,647	-\$1,647	\$1,474	-\$1,474	\$7,717	-\$7,717
Unallotment	-\$21,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$406,647</b>	<b>\$412,353</b>	<b>\$403,474</b>	<b>\$388,526</b>	<b>\$386,717</b>	<b>\$363,283</b>

**EXPENSES**

	<b>Actual 03</b>	<b>Actual 02</b>	<b>Actual 01</b>	<b>Actual 00</b>	<b>Actual 99</b>	<b>Actual 98</b>
Salaries, Benefits & Per Diem	\$287,005	\$295,495	\$285,413	\$262,848	\$273,982	\$264,681
Rents	\$220	\$175	\$194	\$194	\$183	\$172
Consultant Services	\$0	\$0	\$0	\$0	\$0	\$0
Professional/Technical Services	\$46,284	\$67,848	\$56,855	\$51,250	\$44,585	\$36,163
Data Processing & System Services	\$2,701	\$9,680	\$8,641	\$16,460	\$4,415	\$6,973
Communications	\$4,365	\$6,050	\$6,464	\$6,494	\$6,064	\$4,186
Travel	\$3,102	\$5,831	\$6,917	\$9,349	\$15,139	\$14,572
Supplies and Material	\$10,807	\$7,233	\$9,432	\$9,385	\$7,721	\$8,713
Equipment	\$10,033	\$7,449	\$9,833	\$15,583	\$14,371	\$8,562
Other (Repairs/Printing & Dues)	\$12,182	\$12,592	\$16,986	\$16,963	\$16,914	\$19,261
<b>Total</b>	<b>\$376,699</b>	<b>\$412,353</b>	<b>\$400,735</b>	<b>\$388,526</b>	<b>\$383,374</b>	<b>\$363,283</b>

**SUMMARY**

	<b>Actual 03</b>	<b>Actual 02</b>	<b>Actual 01</b>	<b>Actual 00</b>	<b>Actual 99</b>	<b>Actual 98</b>
Appropriation Balance	\$29,948	\$1,647	\$2,739	\$1,474	\$3,343	\$0
Revenues to General Fund & 212 1)	\$390,800	\$392,000	\$321,175	\$274,000	\$185,000	\$169,920

1) Fund 212, Cambridge Bank Fund deposits prior to 6/30/01

# BREEDERS' FUND

The primary purpose of the Minnesota Breeders' Fund is to provide incentive monies to enhance the horse racing industry in the State of Minnesota and to encourage Minnesotans to participate in the racing and breeding industry.

Minnesota Statute 240.15 and 240.13 require that the funds earn one percent of the total handle wagered on live racing and 5.5% of the take-out from full-card simulcasting. Minnesota Statute 240.135 requires that the Breeders' Fund receive ten percent of the card club rake that is set aside for purses. This amount is distributed to the Thoroughbred, Quarter Horse and Standardbred funds. Each breed has a separate fund. Breeders' Fund monies are distributed as both purse supplements and awards. During the Live Mixed Meet only, Breeders' Fund monies earned from full-card simulcasts, regardless of the breed racing, are apportioned between the Thoroughbred and Quarter Horse funds based on the number of live races for each breed as compared to the total number of races for both breeds.

In 2003 the Breeder's Fund earned \$868,577 from live and simulcast racing and earned \$310,319 from card club operations. One hundred and two individuals and partnerships received \$312,903 in Thoroughbred, Quarter Horse, and Standardbred award payments from monies available at the end of the live racing season. Purse supplements paid out at pari-mutuel meets totaled \$707,155. Purse supplements of \$22,488 were paid out during four days of non pari-mutuel harness racing at county fair venues. The monies available for the 2003 purse supplements included carryovers from 2002.

Committees consisting of the industry participants advise the Commission on distribution of these funds. The committees review distribution alternatives on an ongoing basis.

## EQUINE GRANT PROGRAMS

Pursuant to Minnesota Statute 240.15, after the cost of administering the Breeders' Fund program is deducted, twenty percent of the Breeders' Fund monies accumulated from live racing are expended in the form of grants for equine research and related education in the State of Minnesota.

Legislative changes enacted in 1991 to Minnesota Statute 240.18, Breeders' Fund, expanded and clarified the uses to which the equine grants portion of Breeders' Fund monies may be applied. One-half of the equine grant monies are dedicated specifically to equine research and education at the University of Minnesota's College of Veterinary Medicine. The remainder may be expended for any one or more of the following:

- (1) Additional equine research and related education;
- (2) Substance abuse programs for licensed personnel at racetracks in this state;
- (3) Promotion and public information regarding the industry, commission activities, ownership, breeding and the development and expansion of the economic benefits from racing. The Racing Commission awarded grants from the fund during 2003.

(1) The College of Veterinary Medicine received \$2,100.00 to help fund the Equine Neonatal Education Program and Colostrum Network. This service, which the Minnesota Racing Commission has helped support for several years, educates horse owners on the importance of protective antibodies transmitted to neonatal foals through the mare's first milk, the colostrum, and helps collect and freeze this substance and makes it available for orphan foals. The grant was to provide additional funding for the redesign and updating of informational pamphlets and their promotional display.

(2) The Minnesota Equine Research Center (MERC) of the University of Minnesota received \$50,000 to help fund research proposals in the areas of equine health, performance and reproduction. MERC is an interdisciplinary program, administered through the office of the associate dean for research in the College of Veterinary Medicine, dedicated to the creation and dissemination of new knowledge leading to the improvement of health in performance horses. MERC's Advisory Council is comprised of horse owners and leaders in the horse industry and will advise the Center of research area priorities and in fund development. The Scientific Committee, made up of equine veterinarians and select lay people, will advise the Center on research project selection and funding.

The grant monies were used to help fund the following research studies:

- 1) Mapping polysaccharide storage myopathy gene in Quarter Horses.
- 2) Effects of extracorporeal shock wave therapy on lical tissue.
- 3) Class 1 MHC allele association with recurrent uvetits.
- 4) Starch intake and excitability/recurrent exertional rhabdomyolysis.
- 5) Corticosteriods as adjunct treatment polysaccharide storage.
- 6) Gastrointestinal activity patterns in healthy horse.

(3) The Groom Elite Program received \$2,500 to help fund a training program for race track grooms. Grooms are responsible for the daily care of the horses in training at the racetrack. Trainers and owners have a need for well-trained grooms because errors made in the areas of nutrition and recognition and treatment of injuries or illnesses can result in significant expense. The purpose of the Groom Elite Program is to offer classroom and/or hands on instruction regarding such topics as: performing a horse health check-up, horse behavior and grooming, anatomy and conformation, digestion and feeding, front and rear leg examination, and bandaging for first time grooms or individuals wanting to improve or add to their skills. The funds will be used for preparation of instructional materials, securing instructors and students, providing for bilingual translations and obtaining equipment.



# 2003 BREEDERS' FUND RECAP

THOROUGHBRED	
Live and Simulcast Racing	\$809,169
Card Club Operations	\$279,287
Total Earnings	\$1,088,456
Less Administrative Cost	\$21,880
= Net Breeders' Fund	\$1,066,576
Less Equine Research	\$28,914
= Net Available Breeders' Fund	\$1,037,662
Less Purse Supplements	\$749,479
= Balance Remaining for Awards	\$288,183

QUARTER HORSE	
Live and Simulcast Racing	\$24,322
Card Club Operations	\$27,929
Total Earnings	\$52,251
Less Administrative Cost	\$2,760
= Net Breeders' Fund	\$49,491
Less Equine Research	\$1,390
= Net Available Breeders' Fund	\$48,101
Less Purse Supplements	\$37,006
= Balance Remaining for Awards	\$11,095

STANDARD BRED	
Live and Simulcast Racing	\$33,172
Card Club Operations	\$3,103
Total Earnings	\$36,275
Less Purse Supplements	\$26,324
Less Equine Research	\$1,659
Less Non-PM Development	\$1,659
= Balance Remaining for Awards	\$6,634

ARABIAN	
Total Earnings	\$1,914
Less Purse Supplements	\$1,053
= Balance Remaining for Awards	\$861

Effective November 1, 2001 all Breeders' Fund monies set aside from card club revenues were designated for purse supplements only.

HORSE REGISTRATIONS									
Year	THOROUGHBRED			QUARTER HORSE			STANDARD BRED		
	Stallions	Mares	Foals	Stallions	Mares	Foals	Stallions	Foals	
1985	54	543	403	1		104	1	17	
1986	99	895	601	70	241	70	22	13	
1987	112	988	648	73	178	79	15	20	
1988	141	1261	760	94	229	109	18	23	
1989	141	1333	844	119	272	144	22	28	
1990	118	1145	654	95	257	134	19	30	
1991	104	966	612	88	214	112	11	21	
1992	85	735	450	72	175	90	7	16	
1993	63	444	242	52	131	81	6	17	
1994	49	253	160	40	85	64	3	14	
1995	46	265	180	43	98	59	3	9	
1996	44	275	168	47	105	54	3	8	
1997	41	210	138	48	94	53	4	8	
1998	39	211	139	49	102	75	6	8	
1999	31	235	166	41	88	48	4	9	
2000	26	231	167	35	90	40	3	5	
2001	31	303	227	36	122	43	4	2	
2002	34	317	254	35	94	53	8	0	
2003	28	361	273	27	106	73	11	6	

\* Pursuant to Racing Commission Rule 7895.0275, Subp. 2A. Standardbred foals, unlike Thoroughbreds and Quarter Horses, are not required to be registered in the year of foaling. The rule requires that they be registered before they are entered in restricted races.

### **III. LEGISLATION**

**At this time, the Commission does not anticipate proposing policy legislation for consideration by the 2004 session of the Legislature.**

### **IV. OTHER MATTERS**

As has been reported, the Commission is currently in the process of considering an application for another racetrack in the seven county metro area. Pursuant to statute and rule, that process will include an oral presentation of the application content to the Full Commission on February 18, 2004, a public hearing in Columbus Township, a background investigation report from the Alcohol and Gambling Enforcement Division of the Department of Public Safety, an evaluation report by an independent accountant as to the financial viability of the racetrack and other matters the Commission believes will assist them in making a decision to grant or not to grant a license. It is anticipated that a decision will be made in late spring or early summer.

**Please notify the Racing Commission if you required this material to be made available in alternative format, i.e., large print, Braille, audiocassette, or other requested special format. The Racing Commission can be reached at:  
952-496-7950; 1-800-627-3529, (TTY/VOICE RELAY SERVICES).**