

Agency Purpose

The Minnesota Racing Commission (MRC) is a regulatory agency created in 1983 to supervise and regulate the pari-mutuel horse racing industry in Minnesota.

Core Functions

The Racing Commission:

- ◆ Establishes criteria and standards for licensing of pari-mutuel racetracks and the personnel employed or operating at such facilities.
- ◆ Establishes criteria and standards for security, surveillance, regulation of racing, veterinary services, and law enforcement at licensed racetracks and provides oversight of these functions by Commission staff.
- ◆ Establishes standards and rules in order to protect the health and welfare of the equine athlete.
- ◆ Collects and distributes all taxes and fees related to pari-mutuel horse racing and card playing to the general and breeders' funds.

At A Glance

The Minnesota Racing Commission:

- ◆ Regulates Canterbury Park in Shakopee and Running Aces Harness Park in Columbus
- ◆ Will oversee 91 days of live horseracing, 364 days of out-of-state simulcasting, and two 24/7 card clubs in 2008
- ◆ Will license over 4,100 individuals to work at the two racetracks in 2008
- ◆ Audited a total wagering handle of \$69 million at Canterbury Park in 2007
- ◆ Collected general fund taxes and fines of \$167,700 in FY 2008

Operations

The MRC performs the following general duties:

- ◆ Licenses and conducts background investigations each year of individuals applying to work at the racetracks and card clubs to assure the integrity of the individuals participating in pari-mutuel wagering and card playing in Minnesota and nationally.
- ◆ Registers horses each year to allow owners to participate in the Minnesota Breeders' Fund awards program so that economic stability and growth in related agri-business continues.
- ◆ Conducts pre-race exams of all horses racing each day, which protects equine participants and the betting public as well as supervising all activities affecting the conduct of a racing day to protect all human and equine participants and assure the integrity of pari-mutuel wagering for the betting public.
- ◆ Conducts investigations of any suspected violations of Minnesota's racing and card club laws and rules in order to enforce rules and laws that were established to protect the integrity of the racing and gambling industries in Minnesota and nationally.

During the conduct of its regulatory duties the MRC serves a varied customer base. Administering the Minnesota Breeders' Fund requires interaction with horse owners, breeders, and state-bred programs in other racing jurisdictions. As part of the regulatory and licensing process, MRC staff work with: applicants for occupational licenses, class A, B, C, and D license holders, other racing jurisdictions, various horse racing industry associations, local and state police, and the Alcohol and Gambling Enforcement Division of the Department of Public Safety.

Key Goals

The MRC was established to regulate horse racing and card playing in Minnesota; to ensure the integrity of pari-mutuel wagering and card playing, the safety and welfare of the human and animal participants, and that it is conducted in the public interest thus promoting the breeding industry in Minnesota in order to stimulate agriculture and rural agribusiness.

Key Measures

- ◆ 4,100 licensees met the criteria for licensing contained in statute and rule.
- ◆ Pre-race exams and veterinary monitoring of the horse prior and after each race ensures the safety and welfare of the equine and human participants by limiting the number of breakdowns, which annually is lower at the Minnesota track than the national average.

- ◆ Conducted regulatory oversight, including during the construction phases, of the new standardbred racetrack and card club, Running Aces Harness Park.
- ◆ Initiated information technology project affecting licensing, pari-mutuel auditing and general office procedures, which will result in staff efficiencies and streamlining of regulatory and administration tasks.
- ◆ Using its rulemaking authority, the MRC implemented additional restrictions regarding the use of prohibited substances and medications that directly affect the integrity of racing.
- ◆ On an ongoing basis, reviewed the card club plans of operation for Canterbury Park and Running Aces Harness Park which results in all games at each facility meeting the highest standard for integrity and safety of the public.

Budget

Of the MRC's FY 2008-09 biennial budget, 28% comes from a special revenue fund appropriation, which is funded by racetrack, racing, and occupational license fees, 30% comes from the racetrack as reimbursements for the cost of stewards, veterinarians, and laboratory services, and 42% comes from the breeders' fund tax collections (miscellaneous agency fund) which is distributed back to industry participants (horse owners). Commission staff is comprised of 13.4 full-time equivalent employees and 17 professional/technical service contracts (six stewards, ten veterinarians, and one equine drug testing laboratory).

Contact

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Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
Miscellaneous Special Revenue					
Current Appropriation	1,130	899	899	899	1,798
Forecast Base	1,130	899	899	899	1,798
Change		0	0	0	0
% Biennial Change from 2008-09					-11.4%
 <u>Expenditures by Fund</u>					
Direct Appropriations					
Miscellaneous Special Revenue	913	899	899	899	1,798
Statutory Appropriations					
Miscellaneous Special Revenue	911	1,097	1,100	1,108	2,208
Miscellaneous Agency	1,474	1,372	1,371	1,371	2,742
Total	3,298	3,368	3,370	3,378	6,748
 <u>Expenditures by Category</u>					
Total Compensation	805	910	898	924	1,822
Other Operating Expenses	1,314	1,371	1,385	1,367	2,752
Local Assistance	1,179	1,087	1,087	1,087	2,174
Total	3,298	3,368	3,370	3,378	6,748
 <u>Expenditures by Program</u>					
Racing Commission	3,298	3,368	3,370	3,378	6,748
Total	3,298	3,368	3,370	3,378	6,748
 <u>Full-Time Equivalents (FTE)</u>					
	12.2	13.4	13.4	13.4	

RACING COMMISSION

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Other Revenues:					
General	20	12	12	12	24
Taxes:					
General	96	90	90	90	180
Total Non-Dedicated Receipts	116	102	102	102	204
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	743	804	814	814	1,628
Other Revenues:					
Miscellaneous Special Revenue	868	1,036	1,041	1,047	2,088
Miscellaneous Agency	490	634	634	634	1,268
Taxes:					
Miscellaneous Special Revenue	58	60	60	60	120
Miscellaneous Agency	813	739	739	739	1,478
Total Dedicated Receipts	2,972	3,273	3,288	3,294	6,582
Agency Total Revenue	3,088	3,375	3,390	3,396	6,786