

AT A GLANCE

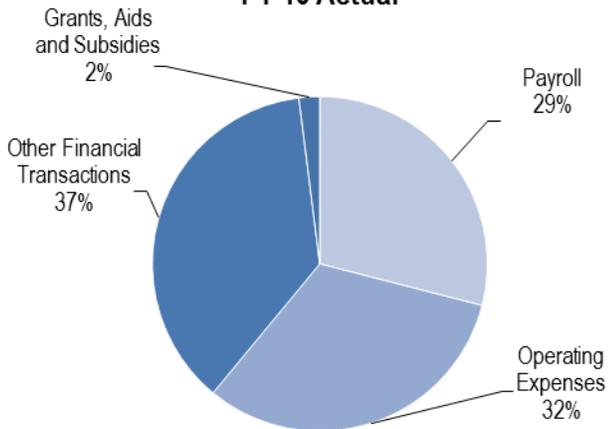
- Regulates wagering activities on Horse Racing (\$83 million annually) and Card Playing (\$55 million annually) at Canterbury Park and Running Aces Casino and Racetrack
- Administers \$1.2 million in Minnesota Breeders Funds for the benefit of owners and breeders of Minnesota bred race horses
- Issues over 5,000 licenses to horse racing and card club participants

PURPOSE

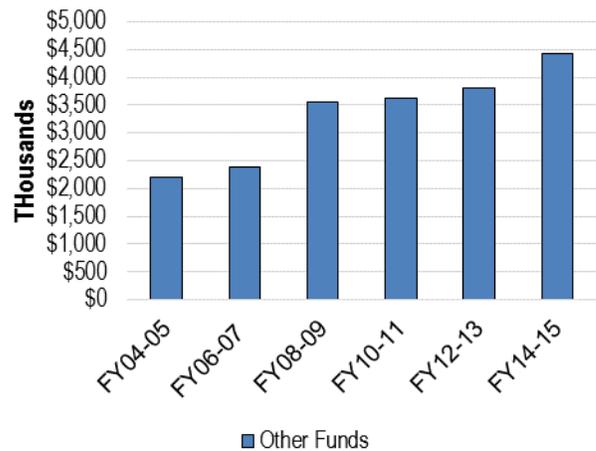
The Minnesota Racing Commission (MRC) operates in the public interest to ensure the integrity of horseracing and card playing, oversee the proper distribution of funds back into the industry, and provide for the safety and welfare of the human and animal participants. Additionally, the commission works to promote the horse racing and breeding industry in Minnesota in order to provide economic stimulus, offers residents and visitors an exciting entertainment option, and supports agriculture and rural agribusiness.

BUDGET

**Spending by Category
FY 15 Actual**



Historical Spending



The Racing Commission’s basic operations have been primarily financed by racetrack and occupational license fees that are limited to a direct appropriation from the special revenue fund, currently capped by statute at \$1.943 million for the next biennium. The Commission also has statutory appropriations from the special revenue fund that finance portions of the Commission’s operations regarding stewards, veterinarians, the drug testing laboratory and oversight of card rooms through reimbursements. The Racing Commission received a one-time general fund appropriation of \$341,000 in the FY16/17 biennium as a bridge to a new funding source authorized in the 2016 legislative session. The new law authorizes advance deposit wagering (ADW) which will provide for a 1% regulatory fee to be paid to the Racing Commission on all wagers placed via licensed ADW providers.

STRATEGIES

To accomplish the Racing Commission’s mission of regulating this extremely complex industry, administering Breeders’ Funds, and overseeing the safety and welfare of the human and equine participants, a number of strategies are employed:

1. Licensing – Facilitate a licensing process that is detailed, accurate, and administered in a way that licenses are issued only to individuals and vendors who are competent, have a record of law abidance, financial responsibility, and reputation that is consistent with the best interests of the industry.

2. Fiscal Oversight – Ensure that all monies flowing through the pari-mutuel and card revenue streams are reviewed, tested, and verified in order to keep associations in compliance with their obligations to the participants, the public, and the state.
3. Policing – Engage contractors and hire staff who are experts in the fields of veterinary science, criminal justice, and the rules of racing to conduct drug testing, investigate potential criminal activity, and administer the rules governing horseracing and card playing in order to maintain the highest level of integrity for the wagering public.
4. Civic Engagement – Lead the industry forward through active communication with all areas of state government in order to provide laws, rules, and funding that will afford the greatest opportunity for the industry to expand and thrive.
5. Education – Educate all participants including licensees, vendors, and all those who work with our equines or the public, on what is expected under our laws and rules.

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> |
|------------------------|---|-----------------|----------------|---------------|
| Quantity | Licenses Issued. MRC issues Class C licenses to all individuals working for, or participating within, the racing industry including, but not limited to, horse owners, trainers, jockeys, vendors, dealers, security staff, etc. | 5,554 | 5,812 | FY 15 & FY 16 |
| Quantity/Results | Monies Wagered. Monies Wagered is the amount of money wagered on horse racing plus the revenues retained by the card clubs the MRC regulates. | \$126 million | \$138 million | CY 14 & CY 15 |
| Quality | <u>Overtime & Premium Compensation</u> | \$40,106 | \$22,743 | FY 15 & FY 16 |
| Results | Total Registrations of Horses into the Minnesota Breeders Fund Program | 854 | 781 | CY 14 & CY 15 |
| Results | Monies Distributed from Minnesota Breeders Fund to Breeders and Owners | \$1.25 million | \$1.20 million | FY 15 & FY 16 |

Source: Minnesota Racing Commission records

The Minnesota Racing Commission's legal authority comes from M.S. Chapter 240 (<https://www.revisor.mn.gov/statutes/?id=240>).