

**Subject** Modification of pari-mutuel racing regulatory provisions

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## Overview

This bill modifies licensing and regulation provisions for pari-mutuel horse racing.

## Summary

Section	Description
1	<p><b>Racing or gaming-related vendor.</b></p> <p>Defines “racing or gaming-related vendor” as a person or entity that manufactures, sells, provides, distributes, repairs, or maintains equipment used at a Class A facility or supplies or provides services to a Class A facility or Class B license holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.</p>
2	<p><b>Qualifications.</b></p> <p>Eliminates the requirement that members of the Racing Commission file a bond in the sum of \$100,000 before taking a place on the commission.</p>
3	<p><b>Biennial report.</b></p> <p>Amends the commission’s reporting requirement from an annual report to a biennial report due on February 15 of each odd-numbered year.</p>
4	<p><b>Revocation and suspension.</b></p> <p>Requires notice before revocation or suspension of a class C license. Expands the time in which a license can be suspended for a violation of the law from one year to five years. Provides that, if the license expires during the term of suspension, the licensee must wait out the suspension period before applying for a new license. Requires appeals for suspensions lasting one year or less to be made to the commissioner. Provides that suspensions lasting more than one year and all revocations may be appealed by requesting a contested case hearing under chapter 14 and establishes notice requirements. Permits the commission to summarily suspend a license for up to 90 days where necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. Provides for an appeal of a summary suspension.</p>

<b>Section</b>	<b>Description</b>
5	<p><b>License fees.</b></p> <p>Permits the commission to establish an annual license fee, not to exceed \$2,500, for each type of racing or gaming-related vendor.</p>
6	<p><b>License agreements.</b></p> <p>Permits the commission to enter into compacts, in addition to agreements, with comparable bodies in other racing jurisdictions.</p>
7	<p><b>Purses.</b></p> <p>Includes breakage in the amounts deducted from all pari-mutuel pools by a licensee. Provides that contracts and agreements related to purses under this section be reviewed by the commission. Permits the licensee to pay the horseperson's organization representing the majority of the horsepersons racing the breed involved from breakage retained by the licensee from live or simulcast wagering as agreed between the licensee and organization.</p>
8	<p><b>Payments to state.</b></p> <p>Extends the deadline by which an authorized advance deposit wagering provider must pay the required regulatory fee from seven days to 15 days after the end of the month in which the wager was made.</p>
9	<p><b>Card club revenue.</b></p> <p>Requires agreements between the licensee and the relevant horseperson's organization regarding amounts set aside for purse payments to be reviewed by the commission.</p>
10	<p><b>Powers and duties.</b></p> <p>Permits the commission to delegate the power to impose fines of up to \$10,000, suspensions of up to one year, and other sanctions permitted by rule to a board of stewards.</p>
11	<p><b>Appeals; hearings.</b></p> <p>Makes a conforming change with section 4 of the bill. Permits the commission to review any ruling by the board of stewards on its own initiative.</p>
12	<p><b>Thoroughbred and quarterhorse categories.</b></p> <p>Replaces a specific reference to the University of Minnesota School of Veterinary Medicine with a reference to public institutions of postsecondary learning in the state. Removes the requirement that an annual report from a grant recipient be sent to committees in the legislature. Makes a conforming change regarding the commission's</p>

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	report. Permits money apportioned in the relevant category to be expended to pay breeders' or owners' awards at pari-mutuel racetracks licensed by any state or province.
13	<b>Standardbred category.</b> Eliminates the requirement that one-fourth of the money appropriated in the Standardbred category be expended for the development of non-pari-mutuel Standardbred tracks in the state.
14	<b>Fines.</b> Establishes that civil fines must be limited to \$50,000 for a class C licensee and \$200,000 for a class A, B, or D licensee. Provides that fines under \$10,000 can be appealed to the commissioner and fines over that amount can be appealed in a contested case hearing. Clarifies that fines may be used to support racehorse adoption, retirement, and repurposing through grants, contracts, or expenditures.
15	<b>Exclusion of certain persons.</b> Strikes the existing provisions related to ejecting individuals from racetracks and provides that a licensed racetrack may eject a person for any lawful reason. If the exclusion is for a suspected or potential violation of rule or law, or if the exclusion is for more than five days, the racetrack must provide information to the commissioner within 72 hours.



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