

Introduction to the Minnesota Racing Commission

Minnesota House Commerce Finance
and Policy Committee

Steve May
Executive Director
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Legal History of the Minnesota Racing Commission

- 1982 – Constitutional amendment allowing legal pari-mutual wagering on horse racing, legislative regulatory structure in 1983
- 1999 – Legislation authorized card club operations
- 2016 – Legislation enabled account wagering operations



Minnesota's Two Pair-Mutuel Racetracks



Canterbury Park
Shakopee, Minnesota
Scott County
Opened in 1985



Running Aces Casino, Hotel,
and Racetrack
Columbus, Minnesota
Anoka County
Opened in 2008



Minnesota Racing Commission Members

- 9-member independent commission serving 6-year terms
- Approximately 14 full-time, year-round employees
- 40-50 seasonal/contract employees for live racing



Minnesota Racing Commission Regulatory Jurisdiction

- Oversee conduct of live Thoroughbred, Quarter Horse, and Standardbred racing
- Simulcast wagering on global races at both pari-mutual racetracks
- Account wagering on non-Minnesota races by Minnesota residents
- Card club operations at both pari-mutual racetracks



Minnesota Racing Commission Regulatory Jurisdiction (Continued)

- Collect taxes on wagering operations
- Collect regulatory fees on racing and wagering operations
- Operate breeders' funds to incentivize horse owners to breed horses in Minnesota
- Distribute grants for racehorse retirement programs



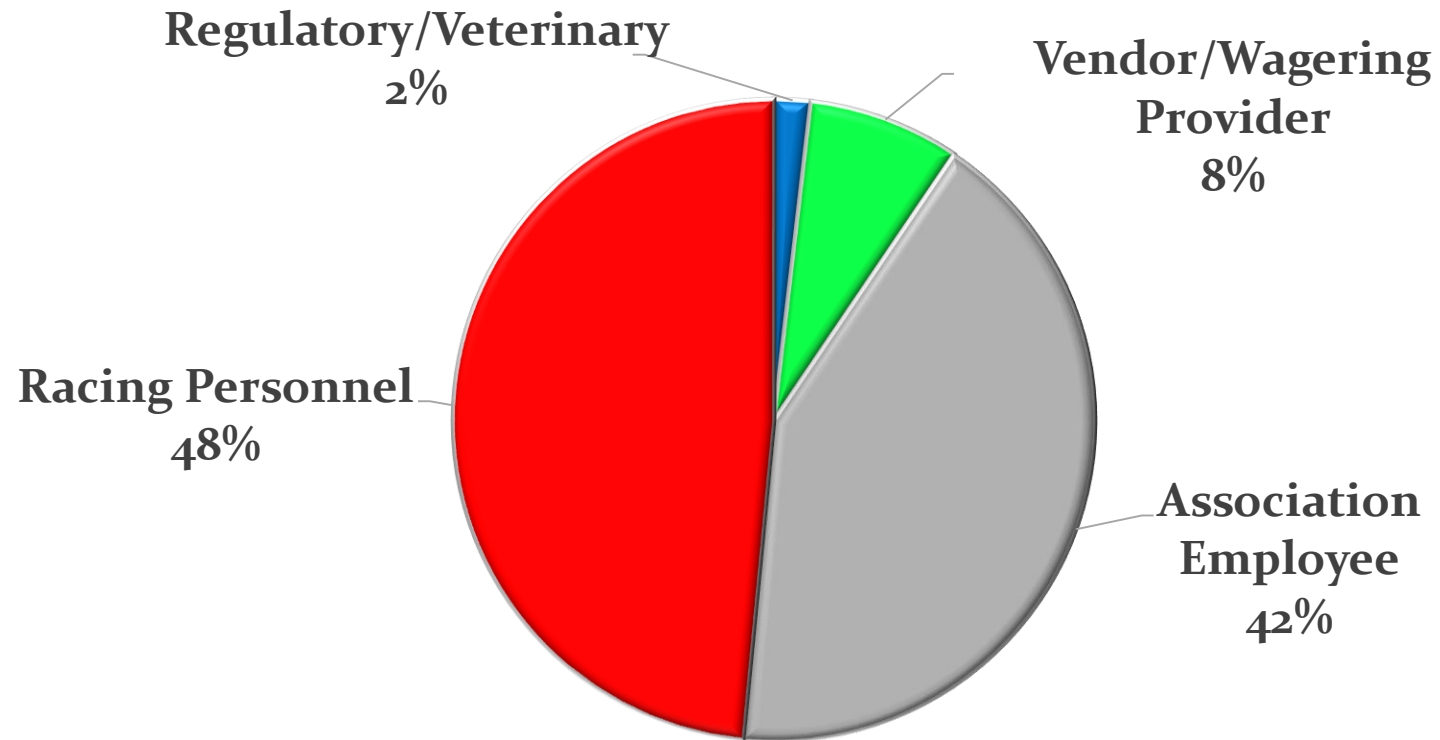
Minnesota Racing Commission

Regulation of Card Club Operations

- Licensing of card club employees, manufacturers, and other vendors
- Ensure compliance testing of gaming products by independent, third-party testing provider
- Monitoring of gaming activities in coordination with card club security and surveillance
- Conduct investigations as needed



5,339 Occupational Licenses Issued by the Minnesota Racing Commission in 2019



Minnesota Racing Commission Agency Funding

- No General Fund appropriation
- Funding sources
 - Licensing fees
 - Regulatory fees on online wagering operators
 - Reimbursements from racetracks
- Fine monies restricted to racehorse retirement programs



Economic Benefit of Pari-Mutuel Horseracing in Minnesota

- \$409.2 million in economic activity to the state*
 - \$176.1 million in direct spending by horse racing industry
 - \$233.1 million in economic activity by non-racing horse related industries across Minnesota
- 5,590 full and par-time jobs*
 - 3,960 directly employed in industry jobs
 - 1,630 in non-horse related industries

Source: Economic Contribution of Minnesota's Horse Racing Industry (2016), Brigid Tuck, University of Minnesota Extension



Strength of Pari-Mutuel Horseracing Industry

- Strong fan participation in non-COVID years
- Dedication by horsemen to the industry in Minnesota
- Marketing agreement Canterbury Park agreement with Shakopee Mdewakanton Sioux Community for purse enhancements



Threats to Horseracing Industry in Minnesota

- COVID-19 limited fan participation at the racetracks
- Alternative gaming options in other states provide significant purse opportunities elsewhere
- Inability for Minnesota residents to wager on Minnesota races online



Horseracing Safety and Integrity Act (Senate Bill 4547)

- Signed into law December 2020, program start July 1, 2022
- Creation of Horseracing Integrity and Safety Authority under Federal Trade Commission
- Will significantly change the medication testing and racetrack safety programs across the country



Steve May, Executive Director
Minnesota Racing Commission
(952) 496-7950, Extension 2
steve.may@state.mn.us

