

Sports betting push at Legislature resorts to punitive leverage

A bill on historic horse racing seeks to usurp both the Minnesota Racing Commission and the legal process.

By Taro Ito

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ELLIOTT POLK, STAR TRIBUNE

Mitch Banks drove a pacer named Whata Machete past a fence on the track at the new Running Aces Harness Track in Forest Lake. Banks is from Canon Falls. Banks and others are preparing for the upcoming opening day at the track.

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The Minnesota Constitution and Minnesota statutes allow for pari-mutuel betting at Running Aces and Canterbury Park. On April 1, our state regulator, the Minnesota Racing Commission (MRC), approved our application to offer pari-mutuel On-Track Advance Deposit Wagering on Historic Horse Racing (ADW/HHR) terminals for our customers who want to bet on past horse races.

Despite opposition from tribal casinos, the MRC overwhelmingly voted 5-1 to approve the terminals. The tribes then filed a lawsuit to overturn our regulator's approval. The lawsuit is pending in the Minnesota Court of Appeals. We believe that this lawsuit is absolutely without merit. The tribes and their legislative supporters are attempting to circumvent our judicial system by jamming a bill through the Legislature to prohibit Minnesotans from wagering on pari-mutuel ADW/HHR at Minnesota racetracks ("[Bet ban off to races](#)," April 9).

Why are some politicians in St. Paul so eager to circumvent the established legal process for disputing a decision made by the statutorily authorized MRC that allows for On-Track ADW/HHR at the state's two Class A racetracks?

Even the Shakopee Mdewakanton Sioux Community, plaintiffs in the case, followed the prescribed method and filed a petition with the courts. Lawyers for the SMSC went on to state "absent a reversal, formal rulemaking should be required, or a contested case hearing be initiated that could allow for more input."

We agree 100% with this approach.

So, why is a bill being introduced by state Rep. Zack Stephenson, DFL-Coon Rapids, and others that disregards the actions of the filing party? Why are these politicians attempting to pass a bill that would determine the outcome of this pending legal case as well as amendments that would cripple the racing industry?

Stephenson acknowledged during the hearing that he did not even know the difference between historic racing machines being offered in other states and those approved by the MRC. Yet the MRC spent months evaluating the application and hundreds of pages of submitted justification.

I can only assume that Stephenson was relying on an advisory opinion by the Alcohol Gaming and Enforcement Division (AGED). The problem is the AGED's opinion was based on games, technology, statutes, policies and procedures not applied for or approved by the MRC. In other words, Stephenson is comparing horses to goldfish.

It certainly was not because the MRC does not have the legal or statutory authorization to have made this decision. In fact, the MRC exists to regulate and ensure the ongoing viability of pari-mutuel horse racing in Minnesota.

Gambling Laboratories International (GLI), the world's recognized leader in testing and certification services for the gaming industry, has certified 70-80% of every gaming machine used in the world. GLI tested the ADW/HHR product in our application and has certified it as being pari-mutuel. Therefore, the MRC, based upon statutes, has the legal authority to approve our application. In previous rulings by the Court of Appeals, even if the AGED differed in its opinion, the MRC has the legal authority and the AGED is strictly advisory.

Finally, Stephenson continues to refer to the Minnesota-specific ADW/HHR product as a slot machine. Even the lawyers for the tribal community contend this form of gambling is too similar to slot machines, not that they are, in fact, slot machines. Where in the state compact does it define what constitutes "too similar"? Is there a legal definition of "too similar"?

Running Aces has followed the rules, applied and received approval for a new pari-mutuel product that will assist in remaining a viable business. In return, we find ourselves defending two lawsuits brought on by a tribal casino and fighting legislators to merely have our day in court.

Simply stated, our recent actions in federal court are merely a reaction to the events described above ("[Lawsuit filed vs. tribal casinos](#)," April 17). All we ask is to be treated fairly. Minnesota deserves better.

Taro Ito is president and chief executive of Running Aces Casino, Hotel and Racetrack in Columbus, Minn.