

HOUSE RESEARCH

Bill Summary

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Overview

This bill provides for a variety of policy and technical changes related to horse racing.

Section

- 1-6** **Definitions.** Provides new definitions for: racing season (eliminates the requirement for a 25-week season beginning before the first Saturday in May), takeout, handle, missed meet, banked, and steward.
- 7** **Appointment of director.** Removes the specific requirement that the racing commission director has pari-mutuel racing experience.
- 8** **Commission powers and duties.** Provides specifically for subpoena power to compel witness testimony and submit any other evidence necessary for the commission to carry out its duties.
- 9** **Application.** Reorganizes subdivision and clarifies the requirement that an applicant has not violated a law, order, or rule in Minnesota or another jurisdiction related to horse racing or gambling.
- 10** **License issuance and renewal.** Provides for a new classification of class C license that would be valid for up to three years.
- 11** **Revocation and suspension.** Provides for the revocation and suspension (in some instances) of a class C license if a violation is deemed by the commission to adversely affect the public health, safety, or welfare.

Section

- 12 License fees.** Removes the \$100 ceiling on class C licenses. Removes reference to the inclusion of information related to simulcasting.
- 13 Purses**
- Requires a written contract between a licensee and a majority of horsepersons racing a breed that is filed with the commission for setting aside a higher percentage from a pari-mutuel pool for a purse.
 - Deletes provisions relating to percentages for simulcasting in and out of season and provides for 37% set-aside. Removes outdated language and provisions related to increasing the set-aside percentage based on increases in the amount of off-season wagering on simulcasts.
 - Requires that 5.5% of the takeout from wagering at a licensee's facility should be deposited into the commission's Minnesota breeder's fund.
 - Rephrases certain provisions for clarity.
 - Removes the provision related to the requirements for on and off-season set-asides on wagering on simulcasts.
 - Removes reference to "full-racing card". Provides that breed organizations may agree on the allotment to purses and the breeder's funds from the money set-aside from wagering on simulcasts on out of state races occurring during a mixed meet. Requires the breed organizations to file their agreement with the racing commission. Maintains the proportional distribution scheme to purses and the breeder's funds when there is no filed agreement.
- 14 Simulcasting.** Requires approval of the commission for conducting a race on a separate pool basis.
- 15 Card club revenue.**
- Adds language allowing set-asides under section 240.135 to exceed 10% and 14%.
 - Reorganizes the provision regarding the ability for a licensee and horseperson's organization to contract for a different set-aside amount than what is specified in this section.
- 16 Taxes imposed.** Clarifies the tax on the handle with new language.
- 17 Disposition of proceeds; account.** Removes a reference to "full racing card" simulcasts with regard to the distribution of money from simulcasts designated for deposit into the breeder's fund.
- 18 Powers and duties.** Raises the ceiling on fines from \$2,000 to \$5,000.
- 19 Fines.** Allows the commission to retain attorney's fees and costs if they prevail in a contested case lawsuit.
- 20 Rulemaking authority.** Allows the commission to promulgate rules governing wired and wireless communications between a racetrack and locations off its premises and for sampling and testing horses for prohibited substances and practices.

Section

- 21** **Exceptions.** Provides that chapter 364 does not apply to the licensing and background investigation process under chapter 240.
- 22** **Revisor's instruction.** Instructs the revisor to alphabetize the definitions section and correct cross-references.
- 23** **Repealer.** Repeals the definitions for average daily handle and full racing card.