

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 Removes outdated language and provisions related to increasing the set-aside percentage based on increases in the amount of off-season wagering on simulcasts.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.
- 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.
- 21 Plan of operation.** Specifies that wagering limits must be part of a card club's plan of operation.
- 22 Limitations.** Removes the reference to a plan of operation with respect to the limitation on card table numbers and eliminates the wagering limits for card playing at a card club.

Section

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