
April 22, 2025

Dear Finance Committee Members,

Minnesota has had a strong horseracing industry over the past four decades, and the Racing Commission plays a critical role through its mission to protect the public's interest to ensure the integrity of horse racing and card playing. To fulfill its mission, the Commission is attentive to all aspects of horse racing and card playing. This includes licensing the tracks and all personnel, enforcing the rules around racing and card playing, ensuring the safety of animal and human participants through pre-race veterinary examinations and post-race sample collections for testing, and distributing awards to breeders and grants for racehorse aftercare.

The racing industry is now facing significant financial pressures, including the costs associated with the Horseracing Integrity and Safety Authority (HISA). HISA was created by Congress in 2020, to establish uniform standards in horseracing across the country, and its rules took effect in 2022. Congress did not provide funding for HISA; instead, HISA assesses states for the costs of its oversight functions. In 2025, Minnesota's assessment from HISA is nearly \$700,000.

We ask for your support of the Commission's proposal, which is included in SF3045, for a revenue source to help it pay most of the annual assessment from HISA. Specifically, the Commission is seeking to increase the fee paid by online wagering platforms that host betting on horseracing, known as Advanced Deposit Wagering (ADW), from one percent to two percent. ADW platforms allow Minnesotans to wager on races conducted outside of Minnesota. The current fee collected from ADW platforms is used to offset some of the Commission's regulatory costs. Increasing the fee would provide the Commission with added revenue to pay a large portion of the annual HISA assessment. The fee is paid by ADW platforms and reduces the amount these platforms keep from wagers. This proposal has no General Fund impact.

HISA's rules only apply to Thoroughbred racing, which means it only impacts Canterbury Park. Any portion of the HISA assessment that the Commissions is unable to pay is passed on to track, which in turn will likely pass much of the costs to the horsepersons at the track. This puts a significant economic burden on those who own or train horses, as well as the many people who work for horse trainers. This proposal would help provide stability for the Thoroughbred racing industry and its participants. Additionally, by continuing to pay a large portion of the assessment, the Commission will continue to have a seat at the table with HISA in the implementation of its rules and the impacts it has on the Commission's operations.

Sincerely,



Kyle Gustafson
Executive Director