

STATE OF MINNESOTA

MINNESOTA RACING COMMISSION

In the Matter of the Proposed
Adoption of Rules of the
Minnesota Racing Commission
Governing Harness Racing.

STATEMENT OF NEED
AND REASONABLENESS

I. General

September 19, 1986 marks the beginning of the inaugural season of Harness Racing in Minnesota. In an effort to improve the quality of Harness Racing in this state, the Minnesota Racing Commission (Commission) has proposed minor amendments to the Harness Racing Rule, Minn. Rule 7884.0100-.0260. The proposed amendments are consistent with the Rules and Regulations of the United States Trotting Association and are necessary to make Minnesota competitive in the Harness Racing industry. The Commission believes the proposed amendments are reasonable because they are customary in harness racing states. Moreover, the burdens imposed on the participants are not undue, and compliance with similar rules has been obtained in other jurisdictions.

II. STATUTORY AUTHORITY

The Commission is empowered by Minn. Stat. § 240.03 to:

- (1) Regulate horse racing in Minnesota to ensure that it is conducted in the public interest;
- (2) Enforce all laws and rules governing horse racing;
- (3) Supervise the conduct of pari-mutual betting on horse races; and

(4) Take all necessary steps to ensure the integrity of racing in Minnesota.

The Commission is also specifically authorized by Minn. Stat. § 240.23 to promulgate rules governing "the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results" and "any other aspect of horse racing or pari-mutual betting which in its opinion affects the integrity of racing or the public health, welfare or safety."

These broad statutory provisions clearly authorize the Commission to promulgate a rule governing Harness Racing at licensed racetracks in Minnesota.

III. Rule-By-Rule Analysis

7884.0120 ELIGIBILITY AND ENTERING

This part sets forth the eligibility and entrance requirements precedent to harness racing in Minnesota. The Commission proposes minor amendments to subparts 6 and 7. The rest of the part remains unchanged.

7884.0120, subp.6

This subpart governs the maximum size of the field for standardbred races. The Commission proposes a maximum field of 14 horses on a one-mile track rather than 12 as originally adopted. This change is necessary because the original rule was adopted with a smaller track in mind than that found in Minnesota. Minnesota's track is one-mile long and 80 feet wide, large enough to accomodate

14 entries. The proposed amendment is necessary to attract major standardbred races in Minnesota. The premier harness races, the Breeders Crown Series, are run with a total field of 14 horses. The amendment is reasonable because it is consistent with the rules of a United States Trotting Association Rules and therefore, consistent with the rules of a majority of harness racing tracks in the country.

7884.0120, subp. 7

This subpart sets forth the conditions precedent to entering a standardbred race. Section A has been amended by adding the phrase "and the eligibility certificate has been filed with the racing secretary," a requirement previously included in Section C. The change is needed and reasonable because it provides clarity to the rule.

Section B has been amended to require that the horse's registration papers be filed with the racing secretary, a requirement also previously set forth in Section C. This requirement is necessary to prevent the possibility of hidden ownership through falsified eligibility certificates.

Section B was further amended to allow the horse's owner to submit a photocopy of the registration papers in lieu of the original if: (1) no genuine question is raised as to the authenticity of the original; and (2) the horse is not entered in a claiming race. The amendment is necessary because in standardbred racing, unlike thoroughbred racing, the registration papers do not customarily travel with the horse. Rather, each standardbred owner

is required to obtain an eligibility certificate from the United States Trotting Association and to file that certificate with the racing secretary prior to racing. The eligibility certificate is generally accepted by harness tracks as adequate proof of the ownership of the horse. Therefore, the amendment allows the participant to forego filing the original and instead file a photocopy with the racing secretary. This provision is reasonable because it eases the burden imposed on the participant yet provides adequate proof of ownership to the Commission and the racing secretary.

In the amendment, the photocopy is afforded the same weight as the original unless there exists a genuine question as to the authenticity of the original. The rule adopts the language of Minnesota Rule of Evidence 1003, a standard used consistently in the courts of this state.

In addition, if the horse will be entered in a claiming race, the original registration papers must be filed. This is necessary and reasonable to ensure that the transfer of ownership is accurately recorded on the registration papers in the event the horse is claimed prior to the race.

Finally, the Commission proposes to delete Section C because both requirements were integrated into Sections A and B. Failure to delete Section C will result in a repetitive and internally inconsistent rule. Sections D-G were adjusted to accommodate the proposed changes.

7884.0130 PREFERENCE SYSTEM

This part has been substantially amended by repealing the preference system set forth in subparts 2 and 3 and substituting the preference system set forth in the United States Trotting Association Rules. The amendment is necessary because it eliminates the cumbersome task of keeping preference lists in the racing office and affords preference to those horses that run the most. The amendment is reasonable because it conforms to the preference system established by the United States Trotting Association and thus, is comparable to the preference systems used at most harness tracks in the country.

7884.0160 ALSO ELIGIBLES

The Commission has proposed an amendment to subpart 3 of this part which would change the release time for also eligible horses from 10:00 a.m. of the day of the race to scratch time. Scratch time is generally in the morning of the day before the race. This amendment is necessary and reasonable because the statistics and past performance records of standardbred horses are contained in the program book. There are no daily racing publications containing such information for standardbred meets. The program book is printed in the afternoon on the day immediately preceding the race to ensure that it is available for examination by patrons sufficiently in advance of race day. Therefore, since the entries are final as of scratch time so that the program books can be prepared, it is reasonable to release the also eligible horses at that time.

7884.0200 STAKES RACES

This part sets forth the requirements necessary to run stakes races in Minnesota. The Commission has proposed amendments to subpart 12, sections D and E, to increase the size of the elimination heat fields. The amendments are necessary to conform the subpart to the proposed amendment to part 7884.0120, subp. 6 which would increase the maximum size of the field in stakes races to 14 horses. Thus, the proposed amendments merely increase the size of the elimination heat fields to 10 horses. The proposed amendments are reasonable because they increase the number of horses eligible to qualify for the final heat and thereby provide for a more competitive field.

The Commission has also proposed the deletion of section G to eliminate an inconsistency with Section A of the same subpart. Both sections set forth the method by which post positions are drawn, but the deletion of section G ensures that all post positions will be drawn by lot by the stewards. The amendment is reasonable because it provides clarity and consistency to the rule.

IV. OTHER STATUTORY REQUIREMENTS

Minn. Stat. § 14.115 requires agencies, when proposing a new rule or amending existing rules which may affect small businesses, to consider certain methods for reducing the impact of the rule on small business.

The proposed amendments to the harness racing rule indirectly impact small businesses. However, the rule does not affect small businesses disproportionately nor does the rule prevent small

businesses from participating in the standardbred meet. The Commission considered the impact of the amendments on small business and determined that because of the nature of the industry, the Commission cannot be less rigorous in its regulation of one type of business than another.

Minn. Stat. § 14.11, subd. 2 is inapplicable because the proposed amendments will not have any direct and substantial adverse impact on agricultural land. Sections 115.43, subd. 1, 116.07, subd. 6 and 144A.29, subd. 4 are not applicable. Section 16A.128, subd. 1 does not apply because the proposed amendments do not set any fee. Likewise, a fiscal note is not required pursuant to section 3.982 as the rule will not force any local agency or school district to incur costs.

CONCLUSION

Based on the foregoing, the Minnesota Racing Commission's proposed amendments are both necessary and reasonable.

Dated:

RAY ELIOT
Minnesota Racing Commission